

AGRA COVID-19 Situation Report

Report No. 2: May 29, 2020

As COVID-19 continues to spread across Africa, our bi-weekly sitrep is designed to provide timely information, reflecting what we hear from small holder farmers and partners on-the-ground in 11 countries in sub-Saharan Africa (1). We welcome your feedback at sitreps@agra.org

(1) Ghana, Rwanda, Nigeria, Uganda, Burkina Faso, Mali, Kenya, Ethiopia, Mozambique, Malawi, Tanzania

Situation as of May 29, 2020

- Food insecurity grows due to COVID-19 impact on the supply chain as COVID-19 cases in Africa increase more slowly than on other continents
- Without aggressive policy action, the COVID-19 pandemic could turn into a protracted debt crisis for many developing countries
- Governments in AGRA-focus countries remain on the alert for COVID-19 outbreaks and face tough trade-offs while easing restrictions to allow businesses to get back to normal
- Cross-border and in-country trade in the ag sector continues to suffer but governments are developing responses including grain purchase programs, input subsidy programs and social protection programs


FOOD INSECURITY GROWS AS COVID-19 SPREADS ACROSS AFRICA

Food insecurity has continued to rise across Africa as the pandemic continues to spread – albeit more slowly than in other continents. The number of deaths from the pandemic in AGRA focus countries remains low, totaling 468, with 20,058 cases reported as of 24 May 2020.

Dr Matshidiso Moeti of the World Health Organization noted “While COVID-19 likely won’t spread as exponentially in Africa as it has elsewhere in the world, it likely will smoulder in transmission hotspots... COVID-19 could become a fixture in our lives for the next several years unless a proactive approach is taken by many governments in the region. “ The IMF also expects the recovery to take time. Speaking to Politico, the IMF’s Managing Director Kristalina Georgieva [predicted](#) that it could take until 2023 for the global economy to return to its pre-coronavirus levels. “The most severe shock has already occurred,” she said, noting that 170 countries have entered negative economic growth since March, and that the global economy is likely to shrink further beyond the current IMF estimate of -3 percent GDP in 2020.

FOOD PRICES ARE RISING, AND CAUSING INCREASED FOOD INSECURITY DUE TO THE IMPACT OF NATURAL DISASTERS AND MOVEMENT RESTRICTIONS

Farmers in East and West Africa are unable to plant and harvest as planned as a result of natural disasters. These include locust infestations in East Africa, and flooding in East and West Africa. Flooding in Uganda, for example, has led to 2.4 million people facing hunger (May 24, 2020; Source: Update from the office of the prime minister of Uganda).



In some AGRA program focus countries, we are seeing food prices rising. This is partly due to less food being transported to central markets, and also the fact that, as a result of government restrictions, fewer vendors can get to the markets that are open. This is clearly illustrated in Uganda which has seen food prices [rise sharply since mid March](#). Part of the cause has been the ban on the use of public transport and a requirement that vendors in the markets also sleep there to mitigate infections of COVID-19 between them and their families who stay at home. A [McKinsey study](#) highlighting the impact of COVID-19 on Kenya reported that in Kenya, while the prices of most commodities continue to decline with maize and rice reporting less than 10% increases, food prices are increasing 5-10%. In Nigeria, largely due to movement restrictions related to COVID-19, the national poverty rate has increased by 15% to around 30 million people. (Source: May 6 report from IFPRI)

WITHOUT AGGRESSIVE POLICY ACTION, THE COVID-19 PANDEMIC COULD TURN INTO A PROTRACTED DEBT CRISIS FOR MANY DEVELOPING COUNTRIES

Debt risks in developing countries were already high prior to the pandemic. These risks are now materializing. High debt servicing hampers developing countries' immediate response to COVID-19 and rules out needed investment in the United Nations Sustainable Development Goals (SDGs). A debt crisis [would dramatically set back sustainable development](#).

In an encouraging sign, in AGRA focus country Mali, [debt relief](#) announced by governments who are members of the G20 and the Paris Club of creditor nations means Mali's government will save 23 billion CFA (\$ 40 million) on servicing debt. This comes after the G20 countries and members of the Paris Club agreed to freeze the debt payments of the 77 poorest countries from May 1 through to the end of the year.

We continue to follow this issue closely as sovereign defaults could have a negative knock-on effect for small holder farmers who need access to finance to grow their businesses – to buy inputs for example to increase yields, or invest in mechanization to increase efficiency while harvesting.

GOVERNMENTS FACE TOUGH TRADE-OFFS WHEN CONSIDERING HOW TO EXIT LOCKDOWNS

In view of the persistence of the COVID-19 pandemic, and recognizing that economies need to continue working, governments are developing phased exit strategies based on their context, and the nature of the prevalence of the pandemic in their countries. Countries including Nigeria, South Africa, Rwanda, Ghana and Kenya have developed lockdown exit strategies which they are implementing and reviewing based on the incidence of contraction alongside keeping the economy functioning.

A [report](#) issued on 9 May by UNECA noted the tough trade-offs that African governments are being called on to make as they exit lockdown. The report by UNECA estimates that a one-month full lockdown across Africa would cost the continent about 2.5 per cent of its annual GDP,

equivalent to about \$65.7 billion per month. This is separate from and in addition to the wider external impact of COVID-19 on Africa of lower commodity prices and investment flows.

RESTRICTIONS ON MOVEMENT ARE BEING LIFTED SLOWLY BUT CROSS BORDER AND IN-COUNTRY TRADE CONTINUES TO SUFFER

Countries across Africa are remaining on the alert for COVID-19 outbreaks, but governments have slowly begun to lift restrictions to allow businesses to get back to normal. Countries which have lifted restrictions are being watched closely. In [Ghana](#), where restrictions on the movement of people have been lifted, and domestic flights have resumed in early May, there has been a worrying rise in COVID-19 cases over the last weeks. Cases more than tripled from around 2,000 in early May to over 7,000 on May 25. In [Nigeria](#), where lockdown was lifted on 4 May, cases have increased sharply from 2,170 on May 1 to nearly 9,000 by May 25 with [hotspots](#) in Lagos and Kano. At the same time, countries are beginning to count the cost of the impact of COVID-19; Nigeria is expecting that the agricultural sector will contribute 15% less to Nigeria's GDP than was estimated pre-COVID-19. (Source: May 6 report from IFPRI)

AGRA insight from a webinar with partners and representatives from the seed industry in Uganda. Farmers are struggling to access inputs as a result of restrictions on movement within countries. While agriculture has been classified in Uganda as essential, physical access to inputs by farmers has been affected by a ban on the use of public and private transport. Farmers cannot walk to input shops -some of which are located far from their homes- and, even when they can, they can only carry a limited amount on their backs or on other alternative modes of transport such as motorcycles which are expensive. Input suppliers are also not allowed to move freely to get inputs to the grassroots. These challenges will have an adverse effect on food security in the future in Uganda.

MANY GOVERNMENTS HAVE DEVELOPED PROTOCOLS TO SUPPORT THE AGRICULTURAL SECTOR

With more and more governments acknowledging that COVID-19 will be a long-term problem, governments are acknowledging the need to manage and minimize the impact of COVID-19 on health systems, while allowing economic activity to resume. In Kenya, for example, the government has announced \$503MM of economic stimulus to fight COVID-19.

Government support in AGRA-focus countries includes:

- Input subsidies (Kenya, Ghana, Nigeria, Uganda)
- Agricultural inputs have been categorized as 'Essential', specifically in Kenya, Malawi and also Rwanda. However, all sub-Saharan African countries have implicitly categorized input as essential by allowing the trading of inputs even in the lockdown period. In Ghana, for example, the government of Ghana has put in place an input subsidy program so that farmers have access to buy fertilizer and seed from agro dealers.
- Kenya is coordinating elements of the country's COVID-19 response through a 'War Room', supported by AGRA, to develop information and data required across the sector.

- Grain purchase programs to ensure adequate market access to farmers coupled with minimum grain price in Tanzania, Malawi, Ghana. Many other countries plan to buy grain from the domestic market for the purpose of enhancing their food reserve.

Deploying a mixture of fiscal and monetary measures targeted at stimulating economic growth:

- Coronavirus Alleviation Programme (CAP) to facilitate economic recovery. (Ethiopia \$1.3BN, Mozambique \$700M, Malawi \$136M)
- Decrease in regulatory reserve requirement for banks to increase the supply of credit (Ghana)

Agribusiness SMEs (Ghana, Nigeria);

- A syndication facility to support industry especially in the pharmaceutical, hospitality, service and manufacturing sectors (Nigeria).
- Social protection support for the vulnerable and excluded (Kenya, Ethiopia, Nigeria)

AGRA'S RESPONSE TO COVID-19

Linking farmers with buyers and processors. In countries such as Tanzania and Mozambique where regional markets for crops are not functioning efficiently due to knock-on effects from COVID-19 mitigation efforts, specifically in Tanzania and Mozambique, AGRA teams are linking farmers with agro-dealers, off takers and processors.

Unlocking financing for agri-focused SMEs. AGRA is working with UNECA to unlock how Africa Exim Bank can support agri-focused SMEs so they can access money to be able to continue doing business.

Coordinating support to governments. Across all AGRA focus countries, we are participating and supporting co-ordination efforts and design of COVID-19 response plans.

AGRA has convened a meeting of 11 permanent secretaries from agriculture ministries in focus countries to understand the changes caused by COVID-19, what they have done to respond, what their needs are and what they have learned.

Supporting data and analysis. In Kenya, AGRA is providing support to government data and analytics through its COVID-19 war room.

Strengthening digital innovation for small holder farmers. In response to COVID-19, AGRA is partnering with technology partners to supply smart and SMS extension content for farmers.

For example, in collaboration with AGRA, Microsoft has developed a chatbot known as Kuzabot that will provide training and business development information to small holder farmers via WhatsApp and SMS. The chatbot will provide farmers with information about good agronomic practices, pest and disease information (fall army worms and locusts), advice on the suitability of various crop varieties for their specific regions and an agro-dealer list.

Enabled grantees and private sector partners to respond to COVID-19 by modifying 65% of AGRA grants.

In Nigeria, AGRA has re-allocated around \$6 million to COVID-19 response efforts.

In Kaduna and Niger states (central Nigeria, see map) AGRA has identified key support activities which include:



1. Radio messages to provide accurate information to farmers on COVID-19 and implications for their businesses
2. Facilitate PPE to Ministry Staff in the line of duty
3. Increased virtual engagement in project implementation;
4. Targeted support to producers to scale up production of staple food (maize, rice, soybean, sorghum) and other critical crops

AGRA COVID-19 NEWS

Call to action for government support for women in agriculture faced with COVID-19

Together with continental partners, AGRA launched a call to action to governments in Africa, the development community and the private sector to urgently deploy resources to assist women access resources necessary to conduct agricultural activities, cushion their small businesses to avoid collapse and amplify their voices throughout this pandemic and attract targeted support for recovery. Press release [here](#). A survey of women small holder farmers is also being organized as part of the call to action.



COVID-19 situation and response at a glance by country (selected highlights only)

| Country + summary of current situation | COVID-19 challenges | Government response | AGRA activities |
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| Planting season | | | |
| Burkina Faso. Lockdown was lifted on May 4. Public spaces continue to open gradually. | Restrictions on gatherings mean that it's difficult to reach stakeholders. | Govt allocation of \$50MM to ag sector. 25,000 MT cereal will be sold to vulnerable people at subsidized price. | AGRA is facilitating contract farming, providing inputs need assessment and connecting farmers organizations with financial partners. |
| Ethiopia. Movement restriction has been eased by regional states and there is no restriction on grain trading. Farm inputs are being distributed. There are 8.5M food insecure people due to persistent insecurity as well as the locust invasion. | Government continues to ease restrictions; no new challenges. | Govt has COVID19 and locust response worth \$1.3B from GoE and international donors. Govt planning \$2.4B stimulus package with \$40M for producer cooperatives. Large expansion of wheat areas to reduce reliance on imports planned. | AGRA is working with grantees in preparation for planting season. |
| Ghana. Domestic flights have resumed and restrictions on movement lifted. Partial lockdown lifted and no restrictions on persons and goods internally but land borders with neighboring countries (Togo, Cote d'Ivoire and Burkina Faso) remained closed. Ghana's Food Reserve is mostly in the hands of the private sector, aggregators and processors. About 1.5 million people in Ghana (approximately 5% of population) are food insecure and 2 million people are vulnerable to become food insecure if COVID disrupts planting season for 2020. Planting has commenced and 60% of farmers demand for seeds and fertilizer is secured. | Team continue to support Partners while implementing programs for the up-coming planting season. | Fiscal and monetary policy incentives to Commercial Banks to increase supply of credit to private sector – US\$120MM credit scheme to support SMEs. WB provided \$100MM to tackle COVID-19 including \$35MM emergency support for improved response system. Corona Alleviation Program was launched 19 th May to support businesses. Rice millers will access part of Govt GHC 600 MM (\$120MM) stimulus package for SMEs. | Ghana conducted virtual JRRR review in which all shared Q2 preparation activity for planting season. AGRA GH held webinar to discuss the impact of COVID-19 on Agriculture bringing public & private actors together. |
| Kenya. 10-20% price increases for food in urban areas due to movement restrictions, floods and closure of borders. 80% of food markets open with 30 % compliance 70% of livestock markets still closed pending provision of auction market guidelines 17,000 tons of produce and flowers exported, | Restrictions on gatherings mean that in-person training can't be conducted. | Cash transfers to the most vulnerable are underway. War room established together with AGRA, The govt. announced \$503MM of economic stimulus to fight COVID-19 | AGRA is providing support to government war room. Team supporting digitization for village based advisors to provide trainings. |





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| <p>signaling sector recovery although very slowly coupled with concern with the freight costs. \$ 1.8-3 per Kg from \$ 0.5-.18 pre COVID-19.</p> | | | |
| <p>Mali. Curfew lifted as of May 9. Food purchase cost \$38MM, Secured \$25.5MM and Gap \$12MM Food Insecure people: 3.5M March to May, 5M in June to August</p> | <p>Food prices have increased and overnight travel is restricted.</p> | <p>Mali benefits after G20 countries and Paris Club agree to freeze the debt payments of the 77 poorest countries from May 1 through to the end of the year to free cash for the fight against the pandemic. This new debt relief will enable the government to save 23 billion CFA (\$ 40 million).</p> | <p>Ongoing Campaign preparation activities: These include: -Preparation for Planting Season in each sub-region -Facilitate farmers access to input market -Facilitate fertilizer distribution through electronic distribution system to be developed -Continue supporting Ministry of Agriculture in development of response plan for planting and marketing season ahead</p> |
| <p>Nigeria. Curfew from 8pm to 6am but restrictions on movement relaxed. Farmers can buy inputs and government has provided movement passes to farmers and agro dealer with movement on ag goods unrestricted. 18% agri-food contribution to GDP decline is expected and the national poverty rate has increased by 15% to 30 million people</p> | <p>Limited access to inputs and extension agent services due to restriction of movement. Farmers training slowed due to restrictions on gathering.</p> | <p>Germany provides additional 5.5 MM Euros (@ 2.2bn Naira(N)) to Nigeria for humanitarian assistance. Nestle Nigeria has contributed over N700 million to support the COVID-19 response efforts in Nigeria. Donations from other private and regional govt continue to flow in support of COVID response. -Nigeria Delta Development Commission N1.1BN -Nigeria Breweries N60MM</p> | <p>AGRA country team continue to work with partners to support farmers in the current planting season.</p> |
| <p>Rwanda. Movement restrictions and curfew in place. 14 day quarantine for people and trucks crossing the border are disinfected. All food markets are open and 7000 tons of food exported</p> | <p>Cross boarder trading with neighbors is a challenge.</p> | <p>AGRA team continue to support farmers through Q2 planned activities. Team plan to resume field visit while still observing govt guideline on health protection.</p> | <p>Govt easing up of COVID-19 measures seems to offer a return to some kind of normality.</p> |
| <p>Uganda. Uganda is in the middle of the planting season. Weeding is the main activity on the ground. Lockdown in place since mid-March with movement of public and private transport banned. Agro input outlets and food markets are allowed so long as they follow Government guidelines. Lifting expected from June 2. An additional 2.4 million people may face hunger mostly as the result of floods.</p> | <p>Flood in some parts of Uganda is threatening lives and farm activities. Restricted movement is another challenge.</p> | <p>Govt. of Uganda received support from development partners including: -USG \$3.4M -EU \$31.6M -IMF has approved \$491.5MM to address COVID-19 issue -Private Sector \$5.5M towards food relief and medical equipment -Govt. has dedicated \$15MM for food relief</p> | <p>AGRA is convening a meeting with Govt. and Seed Sector actors to discuss:</p> <ol style="list-style-type: none"> 1. Seed sector in response to COVID-19 2. Logistic & last mile delivery of seed 3. Quality observance, policy direction and proposed government interventions |





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| | | - IFAD launched the Rural Poor Stimulus Facility which is a US\$40 million envelope for several countries including Uganda | Support SMEs in accessing financial services in preparation for harvesting season |
| Harvest season | | | |
| Malawi. estimated bumper harvest of 3.7 million MT of maize against national requirement of 3.1 million MT. | Grain trading limited due to limited mobility; post harvest handling challenges. | Govt. has allocated \$22M to Agriculture from National COVID response budget. \$14MM has been set aside to procure grant through ADMARC. This amount is adequate to buy 50K MT Maize. In addition \$6.7MM has been set aside to re-stock strategic food reserve | AGRA Malawi team continue to engage with the government and donor working group. |
| Tanzania. Farming activity is ongoing. Grain and other food production trading both national & international encouraged by Government. Parliament approval to procure 750K MT grain to increase buffer stock. | Limited regional movement will affect the delivery of inputs for the July planting season. Marketing strategies to sell crops will need to be adapted. | MoA has budget approved to fully utilize improved National Food Reserve Agency (NFRA) capacity from 250K MT to 750K MT | AGRA's consortia continue to support in facilitating market access and expect to facilitate 641K MT grain. |
| Mozambique. State emergency in place with restrictions on movement. Preventative measures reinforced focusing on social distancing and mandatory use of masks. Vendors to follow strict sanitary measures as harvest approaches. The country is in a food emergency; only one border is open for food to come into the country. | Many field activities cancelled due to government restrictions on movement due to COVID-19. | Government COVID-19 response plan focused on subsidized credit lines for value chain actors; including for import of inputs, reduced social security contributions to cover for protective equipment for sector workers. The plan is currently under review after comments from Development Partners. | AGRA team continue to work consortia grantees to support farmers in the harvesting season. AGRA support will follow under the ongoing engagement with AgRED on COVID-19 response |





Funding available across countries as of May 31st 2020.

It's important to note that these are resources committed that AGRA is aware of and may change as updates occur.

| | Total | World Bank | IMF | Donors | WFP | Govt | Local Private Sector | Other | Remark |
|--------------|----------------|--------------|----------------|--------------|------------|----------------|----------------------|--------------|--|
| | \$MM | \$MM | \$MM | \$MM | \$MM | \$MM | \$MM | \$MM | |
| Ghana | 1,345.5 | 100.0 | 1,000.0 | 125.0 | 0.5 | 120.0 | | | The Govt. has proposed \$390MM humanitarian budget GOVt. \$120MM Stimulus Package for SMEs |
| Mali | 230.9 | 25.1 | 200.0 | | | | 5.8 | | |
| Burkina Faso | 52.8 | | | | | 50.0 | | 2.8 | GOVt. \$50MM support to AG sector |
| Nigeria | 1,300.2 | | | 6.6 | | 1,202.6 | 90.3 | 0.7 | GOVt. \$1.2BN funding for mechanization in 632 local govts. CBN providing \$90.3MM economic stimulus for households and businesses |
| Ethiopia | 493.6 | 82.6 | 411.0 | | | | | | The Govt. has set up a \$1.3BN Budget to mitigate COVID-19 |
| Kenya | 1,652.0 | 50.0 | 758.0 | 141.0 | | 703.0 | | | EU = \$5MM, Other UN agencies = \$135M, RF = \$1MM GOK has set up \$100MM SME recovery budget and \$100MM cash transfer to vulnerable people GOVt. Economic stimulus package = \$503MM |
| Uganda | 581.5 | | 491.5 | 75.0 | | 15.0 | | | US Govt. 3.4MM, EU \$31.6MM to support Govt effort to tackle COVID-19 GOG has dedicated \$15MM for food relief and IFAD set up \$40MM rural poor stimulus fund envelope |
| Tanzania | - | | | | | | | | |
| Rwanda | 4.0 | | | 4.0 | | | | | US Embassy has donated to support Govt. effort |
| Malawi | 42.7 | | | | | 42.7 | | | Govt allocated \$22MM to agriculture, \$14 for grain purchase |
| Mozambique | 569.0 | 100.0 | 337.0 | | | | | 132.0 | Govt. setup \$700MM budget to mitigate COVID 19 Impact Islamic development fund has 132M in project support in the IMF's Pro-Saúde health support Program |
| Total | 6,272.2 | 357.7 | 3,197.5 | 351.6 | 0.5 | 2,133.3 | 96.1 | 135.5 | |

