

COVID-19 PANDEMIC AND ITS IMPACT ON AGRICULTURE AND FOOD SECURITY



Policy Response for Mali

The first COVID-19 case was reported in Mali on March 25, 2020. The number has since risen to 947 cases as of May 21, 2020 with 60 reported deaths and 558 recoveries. The pandemic hit Mali during a period of political unrest - especially in the northern part of the country- and also during the election season. Mali conducted the country's first round of parliamentary elections on March 29, 2020 and witnessed the kidnapping of the presidential candidate and the opposition leader. The elections saw roughly 35% turnout overall and just 13% turnout in the capital city of Bamako, likely due in part to fears about the spread of the virus.

Impact of COVID-19 in Mali

As has been seen around the world, the COVID-19 pandemic will likely have a devastating impact for the population of Mali and most sectors of the economy. The government of Mali has designed a National Action Plan for the prevention and response to COVID-19. Among the measures taken so far, and according to UNDP (April 2020), the Malian government introduced restrictions on travel to and from Mali, suspended public gatherings, requested the closure of all schools, and put in place a curfew from 21:00 to 5:00. Land borders are also closed. All these measures have had a negative impact on Mali's economy.

Impact on GDP and the economy

The IMF and the Central Bank of Mali have noted that the COVID-19 pandemic is having an adverse impact on Mali's economic growth and public health, adding to the existing security challenges. The decline in economic activity, spillovers from disruption in global trade and financing shocks, along with fiscal measures to combat the crisis have created urgent balance-of-payments and fiscal financing needs. The IMF noted that the economic outlook has deteriorated significantly, and growth is expected to slow to below 1%, increasing already high unemployment and poverty. The government has moved to contain the spread of the virus and to mitigate its social and economic impact that are resulting in more financing needs.

Impact on agriculture

The effects of the pandemic globally and government actions taken to slow the spread of the virus are affecting the agriculture sector. The impacts of government restrictions have been amplified by the insecurity situation and the timing of the pandemic - during the Ramadan period celebrated by Mali's Muslim community. This confluence of events is creating a food crisis in Mali. The government report for May 2020 noted that approximately 3.5 million people are considered food insecure. There are 35,000MT of food stocks in the existing reserve; the government has initiated the purchase and distribution of 56,000 MT to mitigate the crisis. In addition, the government has initiated the free distribution of food in communities and districts of Bamako and Kayes with 14,000 MT of rice and processed cereals intended for 1,382,556 people including 354,256 in the Kayes region. The fruit and mango trade has been affected by the pandemic, further depressing farmer incomes which will affect their investments in inputs for the next planting season. The world price of cotton is falling fast. This will affect the production of cotton negatively but may increase the production of maize, although the lower cotton prices will substantially lower income for farmers.

Government Response

The government has intervened and responded with buying grain (maize and beans). Other measures include:

- i. The purchase and processing of 10,000 tons of cereals (corn, millet and sorghum) into flour and semolina to enhance nutrition for pregnant women and children in insecure areas.
- ii. Support of logistics costs to ensure the delivery of cereals to the municipalities and villages affected.
- iii. Cash transfer program supported by the World Bank.
- iv. Government has earmarked about \$7.7 million for subsidies for fertilizer and equipment.
- v. The fertilizer for cotton farmers is already in the warehouses in the regions where cotton is produced, and the government has already identified suppliers to procure fertilizer needed for rice.

Policy Response Package for Mali

Short and immediate term:

- i. Support to the Ministry of Agriculture (Ministry) in the preparation of a comprehensive response on the implications of COVID-19 to food security.
- ii. Support the Ministry to ensure the subsidies granted to farmers and adapt the subsidies to the context of needs linked to the pandemic.
- iii. Technical assistance to the Ministry for monitoring inputs and their availability, as well as food prices. Support to provide a weekly update on inputs and the availability and distribution of food and prices.
- iv. Promote the use of digital technology.
- v. Support to the Ministry for the management of the surplus and stocks at the level of farmers with a weekly update of the situation of the grain stocks.
- vi. Support to the Ministry in the provision of media extension advice during the planting season including support information, education and communication campaigns using radio, television, SMS, etc. to educate farmers to prevent the spread of coronavirus.
- vii. Support the fundraising campaigns of the COVID-19 Social Protection Fund.

Medium-term to long term

- i. Scale up an inclusive financial product for the transformation of large traders or aggregators for the development of transformation.
- ii. Provide technical support to large buyers to create supply chains and establish links with large aggregation infrastructures (silos) of consortia.
- iii. Mapping production, consumption and logistical links for each basic food. Stress-test each chain in the map to identify risks and generate corrective actions.
- iv. Provide technical support to the government to set up a plan to support recovery of vulnerable areas to obtain new technologies.
- v. Strengthen farmers' access to private sector input and export markets and to the digital payments system.



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