



Food and Nutrition Security Under COVID-19

East Asia Experience and Lessons for Central Asia



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Outline

- Food and nutrition is under threat
- Supply chains have been severely disrupted in East Asia
- How have governments and global agencies responded
- Lessons for Central Asia

Food and Nutrition Security is already under Threat

- More than 820 million people suffer from hunger
- More than 2 billion people lack of essential micronutrients
- More than 2 billion people are overweight or obese
- More than 144 million children are stunted



Poverty will Increase

- IFPRI estimates that 1% reduction in economic growth, more than 14 million will fall into poverty (US\$1.9/day poverty line measured in 2011 PPP).
- A reduction of 6% economic growth forecasted by IMF means a total of 80 to 90 million more poor people.

Acuate Hunger or Food Insecure Population will Double



- Global Report on Food Crises (GRFC) reports at 135 million, the number of people in crisis or worse (IPC/CH Phase 3 or above, or acute food insecurity) in 2019 was the highest in the four years of the GRFC's existence.
- The COVID-19 will add another 130 million acute food insecurity population, almost double of the number in 2019.

COVID Causes Major Disruptions in Food Supply Chains in East Asia



COVID's impact unprecedented

- Very different from the global food price spikes in 2007-2011 period
- Heterogeneity in impacts—the poor suffer more

• **Supply chains are disrupted**

- Impacts are more intrusive in labor-intensive (vs capital-intensive) systems—characteristic of poor countries
- Smallholders, youth, women, rural migrants, refugees—less capacity to cope and recover
- Trade has been affected by closures of ports and export bans

• **Public programs are disrupted**

- Especially important for the poor

Food Price Changes in China

	Total CPI	Food CPI	Grain CPI	Meat CPI	Egg CPI	Sea Food CPI	Vegetab le CPI	Fruit CPI
2019.12	100	100	100	100	100	100	100	100
2020.1	101.4	103.9	99.9	102.0	92.2	104.6	127.5	106.1
2020.2	102.2	108.8	100.2	113.6	91.1	107.6	126.2	110.5
2020.3	99.5	100.3	100.4	101.5	90.1	99.3	96.1	104.5
2020.4	97.9	93.3	100.4	89.5	93.8	96.4	80.7	97.6



How have governments and global agencies responded



STATUS OF RECOVERY-ENTERING RECOVERY PHASE

Status	Logistics	Manufacturing	Import/Export	Food Service
China	●	●	●	●
Taiwan	●	●	●	●
Malaysia	●	●	●	●
Sri Lanka	●	●	●	●
Singapore	●	●	●	●
Laos	●	●	●	●
Japan	●	●	●	●
South Korea	●	●	●	●



STATUS OF RECOVERY-ENTERING RECOVERY PHASE

Status	Logistics	Manufacturing	Import/Export	Food Service
Vietnam	●	●	●	●
Brunei Darussalam	●	●	●	●
Australia	●	●	●	●
New Zealand	●	●	●	●



STATUS OF RECOVERY-RESTRICTIONS STILL IN PLACE

Status	Logistics	Manufacturing	Import/Export	Food Service
India	●	●	●	●
Indonesia	●	●	●	●
Philippines	●	●	●	●
Thailand	●	●	●	●
Myanmar	●	●	●	●



How has China responded (1)

- On January 30, the Ministry of Agriculture and Rural Affairs (MARA), Ministry of Transport, and Ministry of Public Security jointly issued a notice urging related departments to coordinate to ensure effective logistics for agricultural products and materials
- On February 5, The State Council called on government ministries for better coordination and emphasized the responsibility of local governors. China has opened a “**green channel**” for fresh agricultural products and prohibited unauthorized roadblocks.
- The use of E-delivery platforms has helped resolve logistical challenges, while minimizing the potential risk of infection from visiting crowded food markets



How has China responded (2)

- National Development and Reform Commission and MARA jointly issued the "Notice on Promoting Multiple Measures and Promoting the Expansion of Production Guaranteed Supply of Poultry and Aquatic Products"
- The government also introduced financial supports for food production to prevent a decrease in the credit balances of agriculture-related enterprises and reduce their financing costs.
- The burden on farming enterprises is mitigated by reducing or deferring their tax payments, reducing their rent, and deferring payment of their social insurance premiums.



How have other countries responded?

IFPRI monitors policy response in developing countries and found

- Major restrictions on urban food traders
- Widespread support for contactless payments
- Targeted support on consumer livelihoods
- Less support for agriculture than for other forms of economic assistance
- Exclusion of agriculture ministries in many COVID-19 national response units

Food export bans

- Vietnam banned rice exports in March and limited shipments for April to 500,000 tonnes, but resumed full export in May
- Cambodia initiated rice export ban on April 5, but has been lifted.



Policy responses affecting the food industry, May 2020

	Macroeconomic Policy			Food Sector Measures		
	Gov't loans or loan guarantees	Tax breaks/subsidies	Employment subsidies	Lockdown exemption for FS workers	Enhanced gov't monitoring & guidance	Increased barriers to food exports
CHN	√	√	√	√	√	
IND	√	√		√	√	
JPN	√	√	√	√	√	
KOR	√	√				
SGP	√	√	√	√	√	
IDN	√	√		√	√	
THA	√	√	√	√		Yes
MAL	√	√	√	√	√	
PHL	√	√	√	√	√	
VNM	√	√	√	√		Yes



How have global institutions responded?

- G-20 ministers of agriculture declaration urged countries not to use export bans and to ensure smooth functioning of food supply chains
- UN agencies have called countries to work together to prevent global food crisis
- African Unions met in early May to better coordinate and collaborate within Africa and with other regions to prevent health and food crisis
- International organizations including the World Bank, CGIAR and NGOs like FOLU have all committed to work together to prevent a potential food crisis.



Lessons for Central Asia

- Inclusion**
- Resilience**
- Stilumlus package to focus on agriculture, food and rural areas**
- Balance short term and long term perspectives**



Special Challenges in Central Asia

- Loss of remittance
- Disruption of FDI
- Lack of financial resources to cope with pandemic and to recover
- Slowed down exports
- Services including tourism have been severely affected
- Agricultural production has been less affected, but smallholders need more support
- Nutrition and diets are affected mainly because of income and job loss

Imperative of inclusion

- **Promotes inclusive economic growth** by better integrating marginalized people (e.g. smallholders, women, youth, refugees and conflict-affected people) into national food systems
- **Reduces poverty** by increasing household incomes and improving access to service
- **Breaks the cycle** of poverty, hunger, and malnutrition that can persist across generations
- **Reduces global and national inequalities**
- **Accelerate Economic Recovery post COVID-19**



Smallholders are hit hard by COVID-19

- Constraints faced by smallholders exacerbated by COVID-19
 - Lack of access to credit, training, land, markets, etc
- Food value chain disruptions hinder smallholders' access to markets, finance
 - Impacts tend to be severe for high-value, perishable products often produced by smallholders (FAO 2020)
- **Recommendation:**
 - Ensure the availability of agricultural inputs to farmers
 - Strengthen land tenure security
 - Promote inclusive agribusiness models
 - Facilitate better risk management for smallholders (social protection, insurance, income diversification)



Source: Andy Johnstone

Resilience critical to cope with and recover from shocks like COVID-19

- Resilience is **more than a buzzword**
- Resilience **address conflict**
- **Investing** in agric. R&D can improve stability, deliver multiple wins
- **Social protection** can secure basic livelihoods, protect from risk and vulnerability, and stimulate growth
- Trade restrictions lead to tighter markets and exacerbate crisis—**Open, transparent, and fair trade can build resilience**
- **Empowering women** is critical to ensure global food security and nutrition



Stem rust resistant
wheat



Solar-powered
drip irrigation



C4 rice



Food Supply Chains: Short and Long Term Perspectives

- Green Channels must be established to ensure smooth functioning of food supply chains
- Smallholders, small traders, and SMEs need special support
- New technologies such as E-commerce platform should be encouraged
- Protecting poor consumers, particularly women, children and elderly, so they have access to nutritious and healthy foods
- Trade must remain open
- Rethink what future food supply chains should be: nutrition/health, sustainability, **inclusion and resilience**