27. Prepare food systems for a long-haul fight against COVID-19

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With a devastating one-two punch, a supply shock followed by a demand shock, the COVID-19 pandemic has knocked out the world economy. The first blow was the Great Lockdown; the second, the worst recession since the Great Depression. No modern economy has experienced anything like this. As the spread of the novel coronavirus debilitates people's ability to harvest and buy and sell food, food systems are under threat as never before.

It's thanks to producers and workers across the food supply chain that food continues to move from where it is produced to where it is needed, logistical delays notwithstanding. Countries have shown restraint, too, as most of them didn't jump to restrict food exports. In fact, the number of pandemic-related export restrictions has decreased from 18 to 7, representing [less than 1%](#) of the share of global food trade.

But the lockdowns have triggered a steep recession. The World Bank projects the global economy will [shrink 5.2%](#) this year. The IMF's latest projection is [-4.9%](#). The OECD is forecasting [a 7.6% contraction](#), given a second wave of infections before the year's end, and a very slow recovery of 2.8% in 2021. In both rich and poor countries [public debt is soaring](#) and is expected to exceed the post-World War II peak.

A collapse in demand for food due to lack of income and disruptions to local food markets indicates important vulnerabilities, as shown in Figure 1, and could prompt a global food crisis. Hunger and malnutrition were significant global problems even before the pandemic. More than 2 billion people [didn't have regular access](#) to safe, nutritious, and sufficient food last year. Some 704 million of them went to sleep on empty stomachs; this included 135 million people who were [on the edge of starvation](#).

At FAO, we estimate that a 5% to 10% drop in GDP growth would mean an additional [38.2 to 80.3 million people](#) in poor countries that rely on food imports falling into the hunger trap. At a global scale, this means the number of hungry people would jump by between 74 million and 120 million. The effects of COVID-19 are even more pronounced in Africa south of the Sahara and small island developing states (SIDS). The virus has shuttered tourism, leaving SIDS such as Fiji, the Maldives, and Mauritius scrambling for economic survival. The World Bank expects to see a sharp 20% drop in global remittances.

Africa is bracing for the worst. The epic oil price crash has led to a global financial bust. For the continent's exporters, such as Nigeria, Chad, Libya, and Algeria, it has wiped out their principal source of revenue. [A catastrophic locust outbreak](#) in East Africa was – pre-pandemic – projected to force 25 million people in Ethiopia, Kenya, Somalia, Sudan, and Uganda to go hungry. A swarm covering

FIGURE 1 Structural vulnerability and known food insecurity hotspots

Source: FAO/Hand-in-Hand, Integrated Phase Classification.

Note: IPC/CH (Integrated Phase Classification/Cadre Harmonisé) provides a scale for classifying the severity and magnitude of food insecurity and malnutrition. Phase 3 (IPC 3) indicates crisis-level food insecurity.

FIGURE 2 Formal jobs at risk in food systems

Where in value chain	Jobs (in millions)	Livelihoods (in millions)
Primary production	716.77	2,023.80
Food processing	200.73	484.54
Food services	168.97	339.44
Distribution services	96.34	241.48
Transportation services	41.61	101.05
Machinery	6.51	13.18
Inputs	4.89	11.06
R&D	0.13	0.29
Total	1,280.93	3,214.84
Total at risk due to COVID-19	451.64	1,090.89

Source: FAO/IFPRI unpublished estimates, based on [ILO 2020](#) – ILO extrapolation scenario. Not annualized. Jobs represent formal employment; livelihoods cover a broad array of self-employed, informal, migrant, and seasonal labor.

one square kilometer contains 80 million insects that [consume more food](#) in 24 hours than 35,000 people. Africa south of the Sahara [faces its first recession](#) in 25 years and is especially [vulnerable to the impact of COVID-19](#).

Food systems, which directly employ over a billion people, are about to lose more than 451 million jobs or 35% of formal employment, according to an unpublished FAO/IFPRI estimate. The jobs most at risk are in food processing, services, and distribution, disproportionately affecting female workers.

Countries must respond by deploying the full power of fiscal and monetary policies. I cannot over-emphasize the importance of expanding social protection for vulnerable people who can't afford basic nutrition. Governments should use cash transfers and mobilize food banks. Parallel to this, they should increase food production, reduce food losses, and create employment. Public works projects throughout agrifood systems can provide people with livelihoods. It is important that the rural poor, especially the women among them, benefit from this policy combination.

Food supply chains must keep moving. This means protecting the health of all supply chain workers. Economic recovery cannot come at the expense of health, as seen in meat processing plants in [the United States](#) and [Germany](#), and wholesale markets in [Mexico, Peru, and Brazil](#). Health is a precondition for economic recovery; and food is a precondition for health. Similarly, there is a need to increase testing capacity at ports to allow vessel crews to disembark without the need to self-quarantine and minimize disruption to maritime transportation.

It is equally critical that smallholder farmers and micro, small, and medium-sized enterprises (MSMEs) keep operating. In poorer countries, they play a crucial role in supplying food to poor consumers. Supply chain disruptions have hit MSMEs hard, and they need access to finance to stay afloat during the drawn-out period between recession and an upturn in a U-shaped recovery. Central banks or international financial institutions should provide warranties, so that banks can help MSMEs with highly concessional emergency loans, business continuity grants, and moratoriums on loan repayments, as well as short-term stimulus packages that support sales, cash flow, and working capital. Banks should set lending targets for smallholder producers and engage in inclusive agricultural investment.

If small enterprises in agricultural value chains shut down, the problems of food access and food availability could intersect, creating a nightmare scenario the world is ill-equipped to handle.

Finally, countries have to accelerate intraregional trade. Exports can mitigate losses in revenues. And imports can improve food availability and stabilize local food prices. In both exporting and importing countries, access to various markets can boost producers' productivity and income.

For Africa, trade within the continent is especially important, because the region can create demand to compensate the weak demand from Europe. African countries should develop food safety standards across the value chain and ramp up access to infrastructure. The first is vital, as it would reduce nontariff trade barriers and prevent governments from imposing blanket import restrictions.

COVID-19 has amplified the voices of antiglobalization. It is setting off calls for food self-sufficiency as well. It's understandable, but pursuing food self-sufficiency is the worst move countries can make

right now. No country has all the natural resources to produce the food it needs in the variety it needs. Facilitating global trade, not promoting self-sufficiency, is key to boosting food security. The pandemic has also given us an opportunity to make investments that will lay the foundation to reset food systems and whose returns will accrue far into the future.

The world is in a grueling 12-round fight against the coronavirus. In every round, there's a risk of another lockdown. But the above policy recommendations will prevent millions of people from facing outright starvation. They will make it easier for countries to bounce back from the recession and go the distance.

Originally published July 2, 2020.