



The Impact of COVID-19 on Agriculture and Food Security in the East African Community Region

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September 2021

The Context

COVID-19 has proved, just within a year of its advent, that it is a pandemic and a menace with far-reaching impacts on agriculture and food security situation in the East African Community (EAC) region, necessitating applying all available means to put it under effective control and recognizing that it has high propensity levels for mutation, and which complicates decisive, pivotal, and terminal control.

The problem

Virtually in each of the six partner States of the EAC (Kenya, Uganda, Tanzania, Rwanda, Burundi and South Sudan), agriculture is the mainstay and backbone of the economy. Agriculture plays a key role in each State's industrial development. The sector accounts for more than 32% of the region's Gross Domestic Product (GDP), employs about 80% of its labour force, accounts for about 65% of foreign exchange earnings, and contributes more than 50% of raw materials to the industrial sector. However, the sector is fragile and highly sensitive to shocks arising from internal and external factors, particularly climate change, pests, and diseases (on both plants and humans), and individual partner State's fiscal policy frameworks. It is, therefore, most likely that the advent of COVID-19 in the region could have had disastrous effects on the sector which, therefore, necessitates critical assessment of its impact and the efficacy or failure of the measures taken to deal with and contain the pandemic's deleterious effects. This policy brief summarizes the impact of the COVID-19 pandemic on agriculture and food security, the key survival and livelihood sub-sectors of the EAC partner States.

Research results

- 1. Impact of COVID-19 on agriculture in the EAC region:** The impact of COVID-19 on agriculture in the EAC was incipient until containment measures to curb the spread of the pandemic were promulgated along with strict enforcement measures. Containment measures had far-reaching effects as their impact drifted a sizeable number of agricultural households (over 15 million) into poverty (less than US\$ 1 a day), especially those engaged in smallholder production of perishable commodities such as fruits and vegetables. The first three quarters of 2020 had adverse effects on the performance of the agriculture sector, with Rwanda and Uganda suffering from retracted sectoral growth (-2% and -4.7%, respectively) but recovered in quarter 3. Tanzania and Kenya's agriculture sectors registered positive growth throughout the pandemic; however, the growth was low (below 5%) and inconsistent. The backward curve of agricultural sectoral growth compounded losses in economic output estimated at between US\$ 37 billion and US\$ 79 billion, arising from the reduced household and business spending, and the disruption of supply chains of key inputs in machinery and chemicals, among others.
- 2. Impact of COVID-19 on food security:** The 2020 estimate of food insecurity for the EAC region was 2% to 5% higher than the pre-COVID-19 scenario. The number of food insecure people in the region increased from 59.3 million to 65.1 million. This creates a strong impetus for pragmatic policy recommendations for the immediate, medium, and long terms, to also increase the resilience of EAC's food systems to future unforeseen outbreaks or shocks.

3. **Impact of COVID-19 on coffee:** The coffee industry in Uganda and Kenya, unlike the other partner States, performed evenly throughout the COVID-19 period in terms of volume and value of exports. In the months of July to September, Uganda registered an unprecedented increase in monthly coffee exports, surpassing the 500,000 60kg bags in a single month for the first time in three decades. Overall, coffee exports for the coffee year October 2019 to September 2020 was 5,360,859 bags worth US\$ 512.23 million compared to 4,439,808 bags worth US\$ 433.95 million the previous year. In Rwanda, Burundi and Tanzania, export volumes and earnings were dampened at the peak of the COVID-19 pandemic but recovered when restrictions were eased.
4. **Impact of COVID-19 on horticulture:** The performance of horticulture exports in Kenya was generally even throughout much of 2020. Though the floriculture sub-sector was affected following the closure of the Dutch Auction where Kenya flowers and vegetables are sold, Kenya continued to export throughout the pandemic, amidst major disruptions in local harvests in major European, Middle Eastern and Asian countries following the devastating effects of COVID-19 in those countries. In Tanzania, the impact of the pandemic dampened growth, thus reducing exports by more than 90%, and costing the country the much-needed foreign currency to a tune of US\$ 7-10 million per month during the peak of the pandemic. A similar trend was registered in Uganda and Rwanda.
5. **Impact of COVID-19 on maize:** In Rwanda and Burundi, maize production was clearly depressed by containment measures to curb the spread of the pandemic. In Burundi, production was not significantly affected at the onset of COVID-19, rising to its highest (479 MT) between February and June 2020 when COVID-19 cases were few and manageable. However, production dipped to lower than 6 MT between July and September 2020 when the country's capacity to manage COVID-19 was questioned, as cases rose exponentially. It is plausible to argue that the decline in production was caused by fewer farmers attending to their farms because of the pandemic (increasing number of COVID-19 cases and the containment measures). The prices of maize in Bujumbura increased by 20-30% between August and October 2020 following seasonal patterns. In Rwanda, the impact of the containment measures put in place to curb the spread of the pandemic were felt in season B of maize production (February to June), reducing production by more than 70% compared to season A volumes. Being a net importer of maize like South Sudan, this poor production was offset with a higher import bill (259 MT). However, Rwanda's main export partner, Tanzania, was struggling with low production because of the pandemic. Most seriously, South Sudan was highly food-stressed as it was entrenched in staggering public debts, seriously reducing its food import capacity.

6. **Impact of COVID-19 on the tea sector:** Tea is among the top ten export earners of the region and a priority crop for development and investment by all partner States. However, due to its designation as an essential service, the tea industry was excluded from the nationwide dawn-to-dusk curfew and the ban on all movement. The tea estates continued working through the pandemic. The above notwithstanding, the tea sector succumbed to the COVID-19 pandemic impact with uneven volumes and values of exports, borne from reduced orders and demand impacting negatively on prices. The average auction price during the COVID-19 period stood at US\$ 2.25 a kilo (in the first quarter of 2020) down from US\$ 2.33 in the previous quarter of 2019. Lower prices at the Mombasa Auction were attributed to increased supply coupled by depressed demand in the global tea markets, occasioned by disruption and restrictions of movement due to the pandemic.
7. **Impact of COVID-19 on the rice sector of the EAC region:** The advent of the COVID-19 pandemic and its containment measures found rice in many growing areas at an advanced stage that required limited external inputs (except locally sourced labour) for weeding, bird scaring, harvesting, threshing, and sorting. From a trade perspective, however, the effects of the pandemic were evident in a cyclic performance of exports for Uganda, and a descending curve for Tanzania. Rice processors in the EAC reported that they were operating below the capacity because of a decline in domestic and export trade of milled rice.
8. **Effectiveness of COVID-19 containment measures:** A review of the SME stimulus packages designed to cater for enterprises in the agriculture sector shows a mix of monetary, fiscal and regulatory measures. However, since the agriculture sector in all partner States is dominated by informal smallholder farmer businesses, the packages did not reach them due to their informal status that makes them ineligible. In Kenya and Uganda, packages were infinitesimal, estimated at less than 0.002% of the total stimulus package.
9. **Implications for Policy Makers**
 1. Increase the COVID stimulus package to the agriculture sector from a paltry US\$ 3.14 million (0.002% of the total stimulus) to US\$ 157.2 million (at least 10% of total stimulus). An increase in funding to the agriculture sector will help promote a deliberate shift from rain-fed agriculture and from low energy to high energy technology-based agriculture to improve agricultural productivity and household income, and ensure food security.
 2. Implement to the letter, the EAC Food and Nutrition Security Action Plan (2018-2022), which had envisaged creating a regional strategic food reserve, including contingency funds to cover at least six (6) months of needs (at least US\$ 600 million).

3. Design a regional ICT-enabled raw material information tracking system for major staple foods (maize, rice, etc) to determine stocks at local level to enable relevant Ministries, Departments and Agencies to track the quality and quantity of stocks available, their location, and price.
4. Strengthen farmers organizations, especially production and marketing cooperatives currently referred to as savings and credit cooperative societies (SACCOs), which are poorly and technically supported to double productivity and significantly increase incomes and improve livelihoods from more productive, resilient and sustainable farming systems.



Mission

To strengthen local capacity for conducting independent, rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa.

The mission rests on two basic premises: that development is more likely to occur where there is sustained sound management of the economy, and that such management is more likely to happen where there is an active, well-informed group of locally based professional economists to conduct policy-relevant research.

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