

Impact of COVID-19 on Food Security and Nutrition (FSN)

Draft issue paper
by the High-Level Panel of Experts on Food Security and nutrition (HLPE)

Important disclaimer

Given the very short notice of the CFS's urgent request, and the fact that the present crisis is unprecedented in its scale, changing rapidly and with many unknowns, this document should be viewed as a draft discussion document aimed to help inform the CFS. Following discussion with the Bureau and Advisory Group of the CFS, the HLPE anticipates further developing this document and strengthening its recommendations, as well as integrating the issue in the next HLPE Report: "Food security and nutrition: a global narrative towards 2030".

A more comprehensive version of this document should be released within the next ten days, then regularly updated in order to take stock of the evolution of the situation worldwide.

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Draft valid until next release

Introduction

General context

The first cases of COVID-19 were reported in November 2019 in the Chinese province of Hubei. Since 23 January 2020, the city of Wuhan has been locked down. Quite soon afterwards, other areas of China adopted very strict measures to contain the spreading of COVID-19. Now, China claims effective control over the spread of COVID-19. However, the impacts, both on China (about two months of disruption/strong negative influence on production) and on the world (China's current proportion of World GDP stands at 16.3%, compared to only 4.2% at the time of the SARS outbreak in 2003) are quite big and not yet fully estimated.

In the past weeks, COVID-19 has spread to 164 countries. On 11 March 2020, WHO declared the outbreak of COVID-19 a "pandemic".

European Union countries, and especially Italy, Spain and France have taken very strict measures in the effort to contain the spread of the virus, mirroring the ones adopted earlier in China. Other countries are also now beginning to adopt containment measures.

In this context, the CFS Chairperson, H.E. Thanawat Tiensin, decided to convene an exceptional virtual meeting of the CFS Bureau and of its Advisory Group, on Thursday 19 March 2020, from 10 AM until 11:30 AM and requested the HLPE to produce the present draft issue paper to inform its discussions.

A strong global impact in many fields of human activity

This unprecedented and rapidly changing situation is likely to trigger a global recession. According to the OECD report released on 2 March 2020, the GDP growth rate in the world will drop to 2.4% (from previously projected 2.9%) as a result of the economic slowdown caused by this global health crisis. In the worst-case scenario, the GDP growth rate may drop to 1.5%. These projections were made prior to more recent developments in the spread of COVID-19 in the EU and the USA and the sharp declines on stock markets and in oil markets in recent days.

Parallels can be drawn with the impact of previous health epidemics (such as the Ebola outbreaks) and with the food price crisis of 2008, especially with a view to draw lessons for policy recommendations. These previous crises had significant negative impacts on agricultural production, trade and price volatility. **However, an aggravating factor is that the current COVID-19 crisis is unprecedented in its global scale and the situation is changing rapidly, with many unknowns.** Any response needs to be reflective of the evolving situation in terms of managing risks.

Beyond immediate health concerns, short-, medium- and long-term impacts are expected on food systems and on food security and nutrition (FSN). **COVID-19 has both direct and indirect impacts on FSN**, and the final outcomes are dependent on the baseline situation of communities, countries and regions, as well as on their resilience to shocks. In return, the worsening of the food security situation can also have negative impacts on the progression of the pandemic by weakening immune systems. In any scenario, **the most affected will be the poorest and most vulnerable segments of the population** (including the displaced). The poorest and most vulnerable populations have fewer resources to cope with the loss of jobs and incomes, the increase of food prices and the instability of food availability, and therefore have less ability to adapt to the crisis. Countries and regions that are currently already dealing with other emergencies, such as the desert locust upsurge which has already increased food insecurity of affected populations, will find dealing with the COVID-19 outbreak particularly challenging.

1. Impact on food security and nutrition (FSN)

The COVID-19 pandemic is **already affecting food systems directly** through impacts on food supply and demand, **and indirectly** through decreases in purchasing power and in the capacity to produce and distribute food, which will have differentiated impact and will more strongly affect the poor and vulnerable.

Potential risk for global food availability and food prices will depend on the duration of the outbreak and the severity of containment measures needed. Isolated country-level policies are likely to amplify the effects of the crisis on food security and nutrition at the global level, especially for developing and food-insecure countries. Further, the potential impact of the pandemic on food production in major food producing countries (e.g. China, EU, USA) could have serious implications for global food availability and food prices.

The experience gained so far with the COVID-19 outbreak comes from developed and industrialized countries (China, South Korea, Italy, among those more affected), and it is difficult to predict the impact of the outbreak on the economy as a whole and on FSN in developing countries based on current experience.

The broader economic crisis that is emerging because of the COVID-19 crisis also poses enormous challenges for food security and nutrition. In particular, people working in casual labour, services, restaurants, and retail, for example, face massive job losses (in part due to social distancing policies, and in part due to the broader economic slowdown) and hence will surely see a major drop in their incomes. While food producers may still see demand for their production, disruptions to agri-food supply chains and markets may make their livelihoods less secure as well, especially from countries with strict policies that are leading to a reduction in overall demand a reduction in the ability of farmworkers to travel to their employment, both domestically and internationally. These declines in income have direct implications for people's access to food.

The inevitable global economic recession is also likely to lead to longer term implications for food security and nutrition due to the broader economic slowdown that many economists are saying we are already in the early stages of. This coming recession will be very different from the previous economic crisis in that we are not seeing spikes in agricultural commodity prices in the same way as occurred in the 2008 financial crisis. Although there may be price gouging at the retail level as noted above, generally commodity prices have been falling due to a lack of demand. Also, in this period, because of the oil price war leading to a dramatic drop in the price of oil, we are currently not seeing the same kinds of pressures leading to increased food prices. But the shocks to both supply and demand for food are likely to affect people's food security, nonetheless.

Impact of COVID-19 on food supply and demand

COVID-19's impacts on food supply and demand will directly and indirectly affect all four pillars of food security and nutrition (FSN). It is also expected that there will be immediate effects resulting from the containment measures adopted in several countries, and these measures will also have longer-term effects affecting the full global economy.

Impact on food supply

As caseloads of COVID-19 increase in countries around the world, there are likely to be disruptions to agri-food supply chains. Although there may have been plenty of food within the supply chains at the start of the crisis, disruptions to food supplies have tracked outbreaks due to a rise in panic buying by people concerned about food supplies during potential lockdowns. If outbreaks around the world are severe or continue over long periods of time, there are likely to be even more serious disruptions that may reduce food availability in the markets over the medium and longer terms. These disruptions may occur as a result of producers themselves becoming ill or because of disruptions to markets due to policies to contain the virus. Declining demand due to a decline in purchasing power will in turn affect the ability and willingness of farmers and producers to invest and adopt adequate technology and will further shrink food production and availability.

Impact on food demand

Starting with the containment and social distancing policies, the pandemic creates first a spike in demand, due to panic buying and hoarding of food by consumers, which will increase food demand in the short term. However, this spike in purchases can be followed by a declining trend in demand, both in terms of physical ability to purchase food, and in terms of loss of income and purchasing power linked to the loss of jobs and the freezing of economic sectors. Changes in short-term preferences due to perception in food safety or convenience can become long-term changes, with repercussions on food systems, livelihoods of food producers and dietary diversity.

2. Key messages

As a result of these shifts and changes both in terms of addressing the disease and the broader economic fallout, **food availability is affected in both the short and long term; access is compromised**, in particular for those working in sectors that are likely to see job losses due to the recession as well for the poor who are likely to be made worse off; **nutrition is likely to be affected** as people shift diets to more shelf-stable and pre-packaged foods (which may be less nutritious) and as fresh fruits and vegetables become less available due to panic buying and disruptions in food systems; **stability is compromised** as the markets themselves are highly unstable leading to a great degree of uncertainty; and **people's ability to exercise agency over their relationship to food systems is compromised as inequalities are increased**.

The COVID-19 crisis is leading to **instability in both local and global food markets**, causing a **disruption to food supply and availability**.

The poorest people will be the most affected by COVID-19 food systems disruptions.

Specific segments of the population are more vulnerable to direct and indirect impacts to food security (e.g. elderly, ill, food-insecure, the poor, those in protracted crises).

The present crisis highlights existing challenges in food systems. There is uncertainty in how the crisis will play out, but almost certainly it will manifest differently according to social class, urban and rural areas, and developing and developed countries.

Actions to minimize the spread of the COVID-19 (self-isolation, restaurant closing, etc.) **have an impact on food security and nutrition**, and **the disease itself is influencing food production and distribution**. Competition between priorities for government resources can lead to tensions between healthcare and food security priorities.

Agencies at the government and international levels are working at full capacity to address the COVID-19 crisis and as a result **resources could be drawn away from existing food security crises**, such as the current locust situation in the Greater Horn of Africa.

The public health impacts of COVID-19 are broader than the disease itself because of its impacts on food security and nutrition.

With **proper hygiene and handling**, there is **minimal risk for transmission of COVID-19 through food consumption**.

The COVID-19 situation has **both short-term and long-term implications** for food security and nutrition.

The **situation is rapidly evolving and circumstances may change**, presenting new challenges.

3. Recommendations

- Just as management of COVID-19 requires a globally coordinated response, so does its impacts on food security. **The CFS should take a lead role in coordinating the global food security response** in close collaboration with other agencies such as the WHO.
- **Social protection mechanisms** for the poorest and most vulnerable people during the COVID-19 crisis need to be employed that incorporate provisions on the Right to Food. These mechanisms should **provide essential assistance in the short term** and **support livelihoods in the long term**.
- When developing action plans for minimizing COVID-19, **governments need to take into account the broader interactions with food security and nutrition**. Governments should be aware of the competition between resource allocations between public health and food security. Plans will also need to be responsive to the fact that this is a rapidly evolving situation with differentiated impacts on different communities.
- Governments may need to **support food supply chains** to ensure that they function smoothly in the face of the crisis in order to stabilize food systems so that they can support food security and nutrition.
- National governments should encourage local communities and citizens to **increase local food production** (including home and community gardens), **minimize food waste**, and **refrain from panic buying**.
- Governments should **provide advice** tailored for **food workers involved in food production**, handling and processing to help avoid catching and spreading COVID-19.
- Governments should **collect and share data**, as well as support research, on the impact of the COVID-19 pandemic on food systems.
- **The CFS should consider its work priorities**, including how the HLPE can continue to provide science-based advice on the COVID-19 crisis through its current work on the Global Narrative report.