



BUILDING FOOD SYSTEM RESILIENCE DURING PANDEMICS

From the IPS flagship publication 'Sri Lanka: State of the Economy 2020'



Why is Food System Resilience important?

Among the many adverse spill over impacts unfolding in the wake of the COVID-19 pandemic, the threat of rising food insecurity associated with the economic lockdown measures and supply chain disruptions can be considered as one of the most critical. The United Nations Food and Agriculture Organization (FAO) Global Report 2020 on 'Food Crises' suggests that COVID-19 will reduce access to dietary energy and diversity, safe water, sanitation and healthcare, and contribute to high levels of malnutrition as a result.

In the face of these challenges, achieving global food security requires a new approach that integrates not only all aspects of food production, but also the many complexities associated with food systems. However, the food system in Sri Lanka has already proven to be vulnerable and inefficient in coping with the

crisis. Thus, the country is facing the dual challenge of mitigating the short- and medium-term impacts of COVID-19 as well as strengthening Sri Lanka's food systems in the long-term.

Food System Vulnerabilities during COVID-19

The COVID-19 pandemic can affect all elements of the food system, from production to final consumption including trade and logistics systems. It also impacts factor markets such as labour and capital and macroeconomic factors, such as exchange rates and fuel prices. Figure 1 illustrates the main avenues and their links thorough which the impacts of COVID-19 can affect Sri Lanka's food systems.

COVID-19 lockdown measures highlighted the vulnerability of Sri Lanka's food systems to disruptions. Despite the fact that food supplies were adequate in the local market, the measures adopted to contain the pandemic – such as restricted transport and storage facilities, and closure of major wholesale and retail markets – caused major disruptions to food supply chains, raising concerns about people's access to food – particularly in poor and marginalised households. These issues added to the difficulties faced by the urban poor especially, in the midst of massive unemployment for daily wage earners etc. Also, food insecurity prompted panic buying-in an effort to store essential food as an emergency measure during the pandemic, and contributed to rising food prices of both domestically produced and imported food items.

Direct impacts of COVID-19 on agriculture are limited, as the virus does not affect the natural resources upon which production is based. However, constrained labour movements due to mobility restrictions associated with COVID-19 posed a threat to food security and livelihoods initially, since agricultural production systems in Sri Lanka are more labour-intensive.

Moreover, restricted access to agricultural inputs such as fertiliser and seeds, and lack of support services and infrastructure affected food production. Increased food loss and wastage due to closure of regional wholesale markets to control the spread of COVID-19, added further to losses suffered by farmers who were already impacted by low prices.¹

Gathering Momentum beyond Supply Disruptions

As COVID-19 spread around the globe, fears mounted that food supplies will run short, especially if supply chains and agricultural production are disrupted. While this may be the case for food commodities like fruits and vegetables, which have complex supply chains, the production and supply of key staple crops such as rice, wheat, and maize were not disrupted.

The major reasons are that the global stocks of these commodities are healthy, and most countries have designated the agriculture sector as essential and exempted it from COVID-19 related restrictions for the most part.² Even any impact globally on the supply of perishable fruits

¹The Netherlands and You. (2020, June 02). The Impact Of COVID-19 Supply Chains in Sri Lanka. Retrieved June 15, 2020 from Netherlands and You: <https://www.netherlandsandyou.nl/latest-news/news/2020/06/02/impact-of-covid19-on-food-supply-chains-in-sri-lanka>

²International Food Policy Research Institute. (2020, March 27). COVID-19: Trade Restrictions are Worst Possible Response to Safeguard Food Security. Retrieved June 15, 2020 from International Food Policy Research Institute: <https://www.ifpri.org/blog/covid-19-trade-restrictions-are-worst-possible-response-safeguard-food-security>

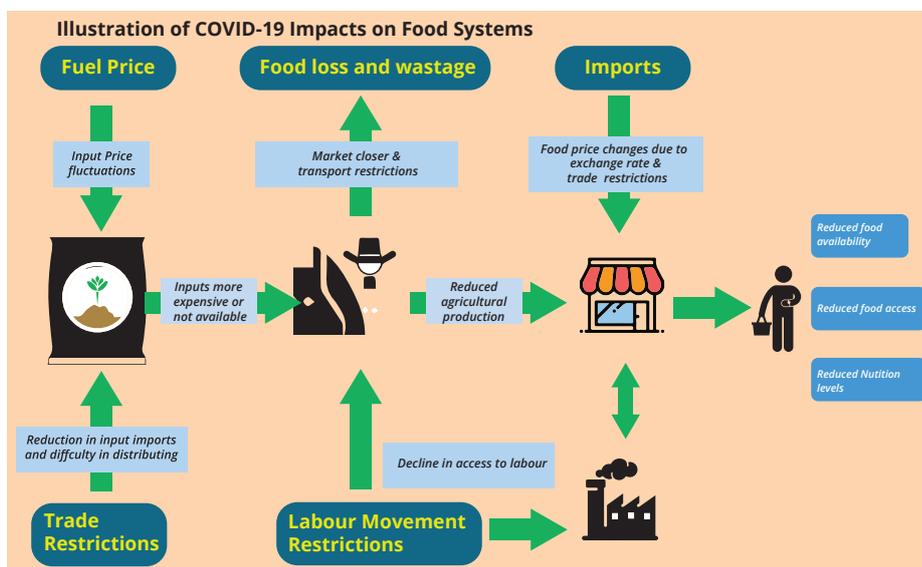
and vegetables on Sri Lanka's food system is minimal since a major share of fruits and vegetables are produced domestically.

From the agricultural input side, lower energy costs affect agricultural production costs through reduced machinery operational costs as well as lower costs of energy intensive inputs like fertiliser. For Sri Lanka, the impact of the former will be negligible since the farming systems are hardly ever capital-intensive; moreover, fuel prices are also not subject to continuous revision domestically as of more recent times. On the agricultural output side, lower energy prices lower the amounts of agricultural outputs used for the production of biofuels, and as a result see a contraction in demand with downward pressure on prices.

Food Security Responses to COVID-19

In the midst of an unprecedented health hazard, the government took several early initiatives to make food available and accessible to consumers during the COVID-19 lockdown period. In order to prevent agriculture sector activities being curtailed by an island-wide curfew, the sector was released early from curfew and mobility restrictions and farmers were allowed to continue with their usual farming operations, while traders too were permitted to transport essential agricultural inputs like fertiliser without any restriction.

Also 'Saubhagya' programme was launched with the aim of utilising the lockdown labour to develop one million home gardens island-wide, and make those households resilient to food shortages. Subsequently, the government declared guaranteed prices to encourage the cultivation of 16 major crops, along with a new loan scheme (Asw enna) up to LKR 30,000. Efforts that were made to ensure consumer access to food included a new system to distribute essential food items at the Divisional Secretariat (DS) level and the imposition of maximum retail prices for certain essential foods to provide relief. Further, consumption support of LKR 5,000 was granted to each household, covering about four million Sri Lankans composed of the more vulnerable population groups.



Source: Author's illustration based on J. Schmidhuber, J., Pound, B., & Qiao. 2020. COVID-19: Channels of Transmission to Food and Agriculture. Retrieved June 25, 2020 from Food and Agriculture Organization: <http://www.fao.org/3/ca8430en/CA8430EN.pdf>

Way Forward

Strengthening food security is an integral part of economic revival for Sri Lanka in post COVID-19 and beyond. Whilst government efforts to ensure food security through the COVID-19 outbreak were commendable in the short run, they were also shown up to be insufficient to ensure food system vulnerability in the long run. Also, pandemics are fast becoming a chronic source of shocks, and as such they call for policy measures that will strengthen food systems nationally and globally, to face future shocks.

- A Regular Food Monitoring System: An innovative food monitoring system with improved agricultural information and reporting, crop status monitoring, area estimates and yield forecasting will develop more efficient and transparent agricultural market systems, and encourage coordinated policy action in response to market uncertainties including international trade restrictions and possible malpractices by local traders during pandemics.
- National and Provincial Food Banks: Sri Lanka needs to strengthen its storage capacity and to maintain a buffer stock of essential food items nationally and provincially with a permanent mechanism for public food distribution for timely and economical delivery and distribution of food to food-deficit, remote, rural and vulnerable areas.
- Agricultural Infrastructure Development: Diverting public investment allocations from inefficient subsidies towards socially profitable interventions, particularly agricultural infrastructure development

including cold storage and refrigerated trucks with the partnership of private entrepreneurs, will be crucial.

- New Technologies and Farming Techniques: The new technologies and farming techniques should readily available at affordable prices. Increased access to credit and provision of such technologies at subsidised prices will facilitate technology infusion to farmers.
- Digital Marketing Platforms: e-commerce has already been proven useful to increase the resilience of the food systems, including to farmers, traders and consumers during COVID-19. ICT-based tools have the capacity to reduce food miles and post-harvest losses and to enable making better decisions.

Overall, COVID-19 is providing a fresh opportunity to re-examine vulnerabilities related to food systems, to identify necessary investments and reforms that will help strengthen their resilience to future shocks and challenges, including other frequent challenges such as climate change.

This Policy Insight is based on the comprehensive chapter on "Building Food System Resilience during Pandemics" in the 'Sri Lanka: State of the Economy 2020' report - the flagship publication of the Institute of Policy Studies of Sri Lanka (IPS). The complete report can be purchased from the Publications Unit of the IPS.


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