From a health crisis to a systemic crisis

Economic Crisis

India: “I earn 600 rupees a day and have five people to feed. We will run out of food in a few days.”

US: Greater Pittsburgh Community Food Bank, at a drive thru distribution in downtown Pittsburgh

Mal: “With bans on gatherings to fight Covid-19, I do not know how we will meet production targets.”

US: Meatpacking plants close amid COVID-19 pandemic

Supply Disruptions

Philippines: Manila, Grocery shop March 16, after announcement lockdown

US: California, Trader Joe’s grocery shop: pasta and canned food. March 13

Panics
Impact on Agricultural Trade

Fall in demand
Increased in poverty & food insecurity

Disruptions in harvest and processing Logistics

Restrictions in movement of goods and people
Shift in consumer behavior
International transportation has been heavily disrupted
Tracking agricultural trade export restrictions over time

Still, limited number of restrictions compared to 2007/2008 [1/4 of overall restrictions]

Source: IFPRI Export Restriction Tracker (Laborde and al. 2020)
Several importers have been significantly threatened

More info at https://www.ifpri.org/project/covid-19-food-trade-policy-tracker
Restrictions in movement of people have impacted informal trade

Trade and prices of Maize between Uganda and Kenya
Source: FSNWG – Thomas Awuor & Antoine Bouet
Lessons and way forward

1) Even a few bad policies undermine the global trading system
2) Notification and transparency remain insufficient
3) Policies need to capture the reality of logistics Digital procedure & trade and inclusiveness
4) Implications for trade facilitation measures and formal trade
5) Role of (trade) finance and SME to support recovery
6) Tackling the change in perception regarding global markets
Thank You

More information at https://www.ifpri.org/covid-19