



Impacts of COVID-19 on Grain Trade Chains in Sub-Saharan Africa

The Case of Eastern Africa

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Outline

1. About EAGC
2. Overview of Africa grain trade
3. Impact of Covid-19 on Grain Trade
4. EAGC's action to support grain sector
5. Recommendations

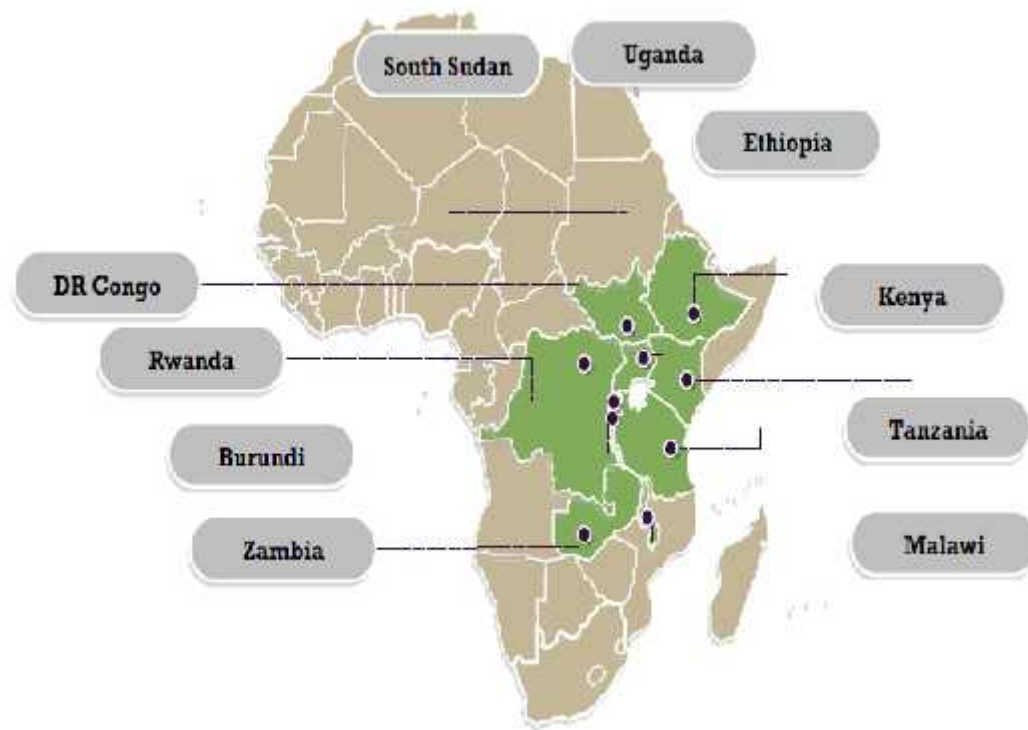


1. About EAGC

Regional, non-profit, membership-based organization for the **Grain** value chain in the Eastern and Southern Africa. Established in 2006

Vision: To be the leading Voice for the grain Industry in Africa

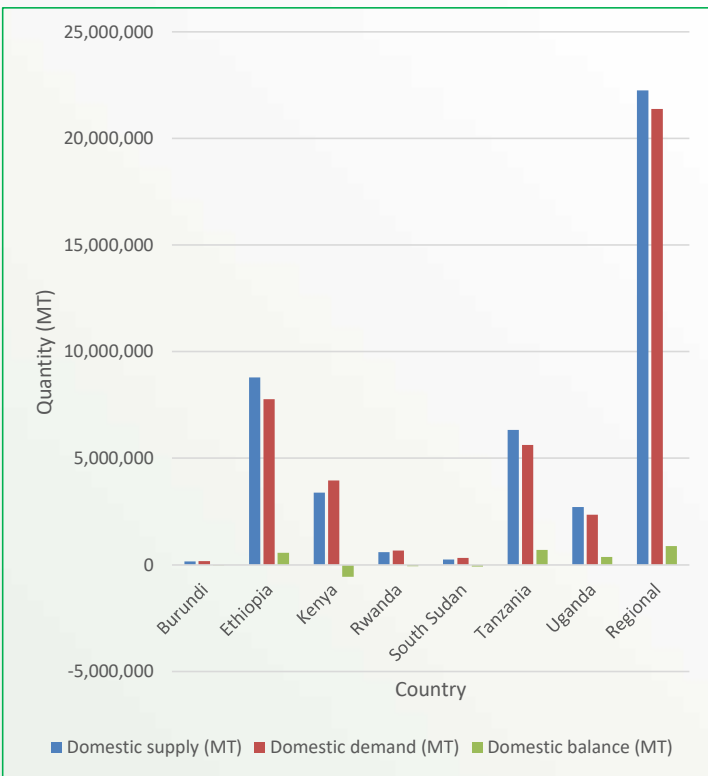
Mission: To advocate for an enabling environment and promote structured grain trade for optimum stakeholder benefit



2. Overview of Intra-EAC grain trade



East Africa maize supply/demand estimates, 2019/2020



Source: FEWSNET

Significant grain trade complementarity between EAC Partner States

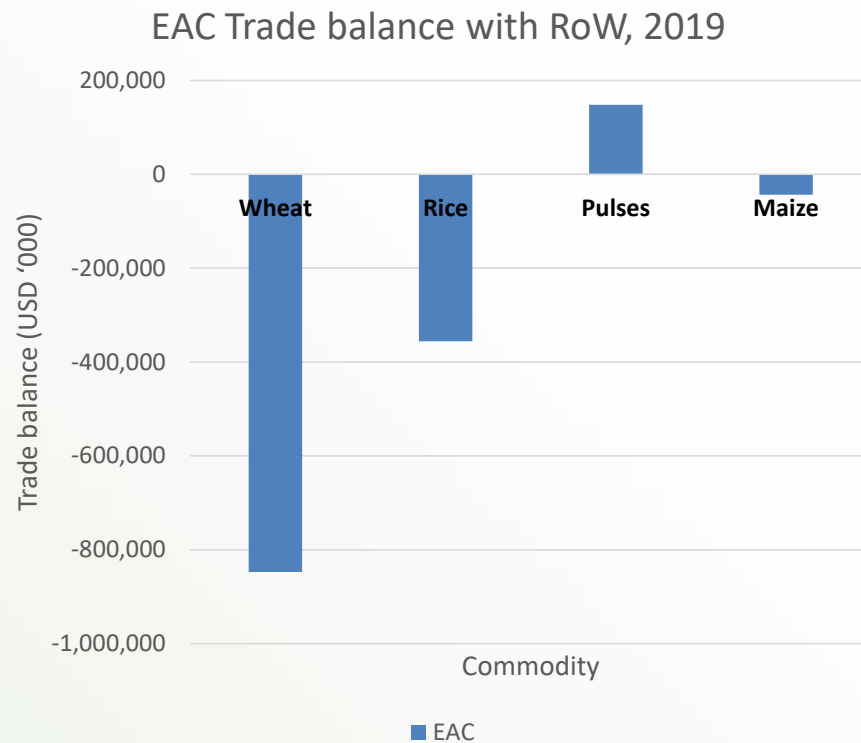
Trade opportunities arise from:

1. differences in crop calendars (harvests occurring during different time periods)
2. Differences in agro-ecologies for production (some countries produce more than others)

East African Crop calendar for maize

	J	F	M	A	M	J	J	A	S	O	N	D
Kenya										█	█	█
Tanzania					█	█	█	█				
Uganda	█					█	█	█	█			█
Burundi	█	█				█	█					
Rwanda	█	█				█	█					
S/Sudan							█	█	█	█		

East Africa Trade with RoW in key grain commodities



Source: ITC

Major export markets for pulses:

- India
- Pakistan
- United Arab Emirates

Major exporters of wheat to EA:

- Argentina
- Russia
- Ukraine
- Germany
- Canada

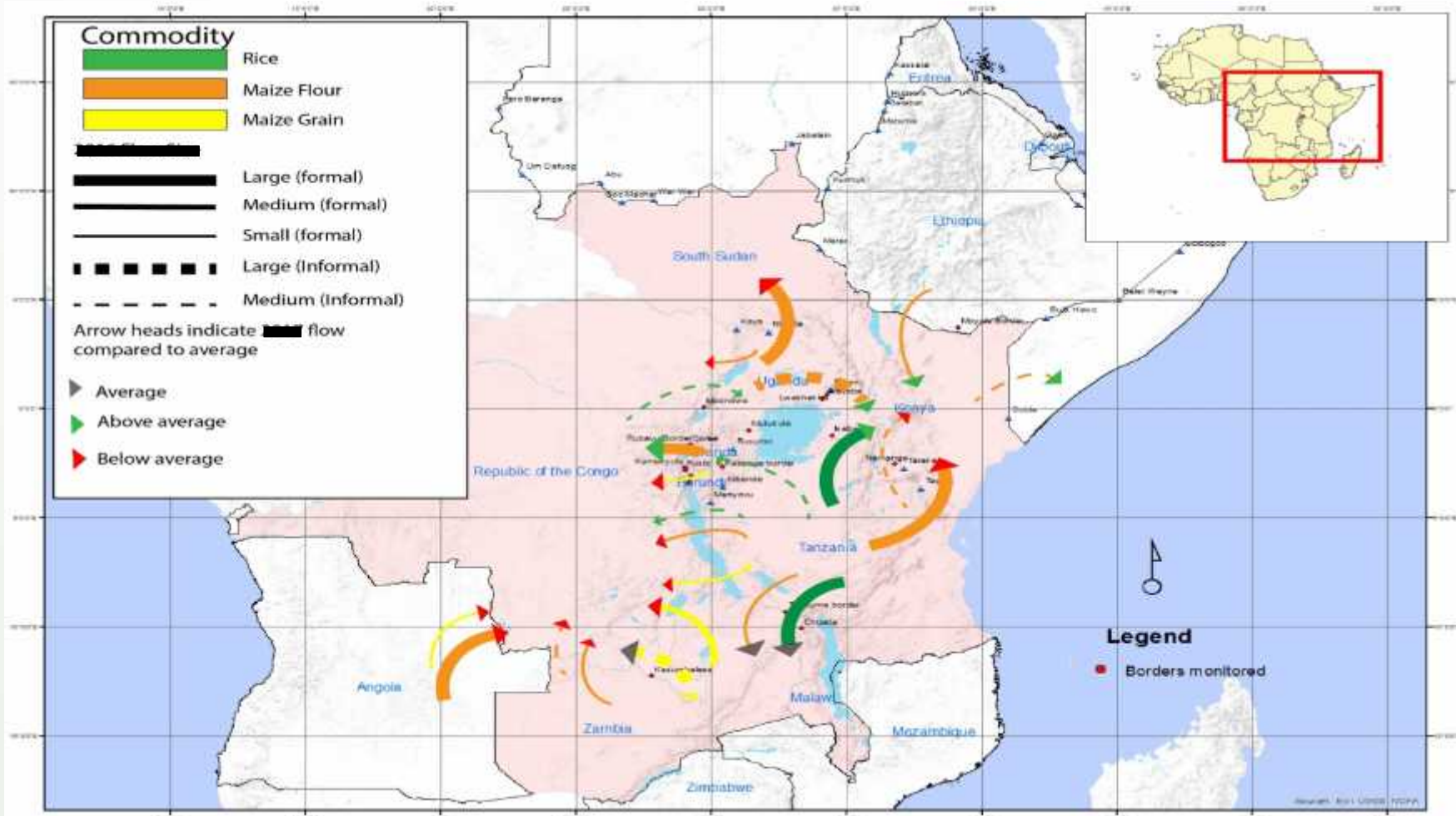
Major exporters of rice to EA:

- Pakistan
- Thailand
- Vietnam

Maize trade:

- Mostly regional, supplemented by occasional imports from Mexico and Ukraine

Regional Trade Summary



3. Impact of the Covid-19 Pandemic on Grain Trade



1. Impact on Cross-border trade

Disruptions in cross-border trade due to COVID-19 measures, leading to significant declines in trade flows

Cross-border trade of maize dropped by 70% between Q1 2020 and Q4 2019.

- Border closures due to COVID-19 tests disputes between countries.
- Delays at the borders (up to 3 weeks in some cases).
- Long queues of trucks (queues at almost 50km long).
- Transport costs have increased by approximately 30% due to longer travel times.
- Deterioration of food due to delays.



Maize rotting and germinating at Namanga border

2. Impact to access to inputs

- Limited access to agricultural inputs due to logistical issues caused by Covid-19.
- Loss of employment for farm labourers

3. Impact on Grain Traders and Processors

- Supply chain constraints.
- Operating below capacity due to low supply.
- Loss of business following closure of restaurants, hotels, schools and other institutional clients.
- Increased costs and reduced revenues.
- Limited access to financing/cashflow constraints.



4. EAGC'S Action to Support the Grain Sector



1. Policy Advisory

- Engagements with governments to improve border situation.
- Country-level policy advisory, e.g. Food Security War Room in Kenya.
- Provide data to support decision making.



Overview

All of the countries in the East Africa region continue to grapple with the effects of the ongoing Covid-19 pandemic. In addition, during April and May, flooding and desert locusts adversely affected seasonal crop in several areas dependent on the March to May rains. The floods also caused loss of household assets, disrupted livelihoods activities, and constrained household access to markets or food assistance.

Several thousands of acres of crops have been destroyed, while water- and vector-borne disease incidence is rising in flood-prone and riverine areas. While pasture and crop damage from the desert locust infestation has been limited by on-going control measures and the heavy rains, current and projected climatic and vegetation conditions remain conducive for breeding and development in Ethiopia, Somalia, and central and north-western Kenya, while swarms are likely to migrate through northern and eastern South Sudan to

Figure 1: Distribution of COVID-19 cases in EAGC mandate countries as of 17th June 2020. Source: WHO database



2. Trade Facilitation

- Linking buyers and sellers of various grains through the G-SOKO platform.
- Provision of various agricultural inputs to farmers through G-Hubs.
- Member support in restructuring of credit lines with banks

3. Supporting essential services travel

- Supporting Members to acquire movement permits to continue business operations.



*Delivery of fertiliser to farmer groups
in Uasin-Gishu County, Kenya*



5. Recommendations



1. Harmonised and coordinated policy making between EAC member states for clarity and consistency.
2. Maintaining open borders to ease food trade.
3. Adopting structured grain trading systems.

