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Interim Issues Paper on the

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

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

Important notice

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 preliminary discussion document aimed to help inform the CFS about the impact of COVID-19 on food security and nutrition (FSN) as currently perceived by HLPE. Following discussion with the Bureau and Advisory Group of the CFS, the HLPE anticipates further updates to this document as the situation evolves, as well as integrating the issue in the next HLPE Report: "Food security and nutrition: a global narrative towards 2030".

24 March 2020
Valid until next release

Introduction

General context

The first cases of COVID-19 were reported in November 2019 in the province of Hubei, China. 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.

On 11 March 2020, WHO declared the outbreak of COVID-19 a "pandemic". As of 22 March 2020, COVID-19 has spread to 186 countries.

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 have used different approaches but are also now beginning to adopt stricter containment measures.

The state of food security and nutrition was already alarming before the outbreak of COVID-19: according to the "State of food security and nutrition in the world (SOFI)" (FAO, IFAD, UNICEF, WFP and WHO, 2019)[i], an estimated average of 821 million people were undernourished between 2016 and 2018, and the majority of the world's hungry people live in low-income countries, where 12.9% of the population is undernourished. Poor nutrition causes nearly 45% of the deaths in children under five (approximately 3.1 million children each year) (The Lancet, 2013[ii]). These figures are expected to aggravate as a result of the COVID-19 pandemic, with the poor – notably the urban poor –, people living in remote areas, migrant and informal sector workers, people in humanitarian crises and conflict areas, and other vulnerable groups likely to face the worst consequences.

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 a first draft issue paper as a basis for discussions, before developing the present new version.

A strong global impact in many fields of human activity

This **unprecedented and rapidly changing situation is likely to trigger a global economic recession**. According to the OECD Interim Economic Assessment released on 2 March 2020[iii], 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 FSN can facilitate the progression of the pandemic by weakening immune systems: malnutrition, by influencing the status of the immune system, reduces the ability to prevent and fight diseases, including infectious ones.

. In any scenario, **the most affected will be the poorest and most vulnerable segments of the population** (including migrants, displaced, those in fragile states or affected by conflicts). 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. Governments' policies to enforce curfew and closing both the public and private sectors to contain COVID-19 is increasing the unemployment levels and, as a consequence, poverty, particularly in the low-income and the most vulnerable groups. Countries and regions that are currently dealing with other emergencies, such as armed conflicts or the desert locust upsurge, which have already dramatically increased the food insecurity of affected populations, will find dealing with the COVID-19 outbreak particularly challenging as there will be increased competition for resources between the health emergency and food assistance. Countries in protracted crises also suffer from underinvestment in public health and often have suffered damage to health infrastructure[iv]. At the global level, there is a major risk that increased demand for public resources for internal emergencies reduces contributions to Official Development Aid (ODA) to low-income countries, including funding for SDG2.

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** - but just as importantly - through decreases in purchasing power, the capacity to produce and distribute food, and the intensification of care tasks, all of which will have differentiated impacts 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 low-income and food-insecure countries. Further, the potential impact of the pandemic on food production in major food producing and exporting 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 high-income and industrialized countries (China, South Korea, Italy, USA and Europe, among those more affected), and already there is a clear negative impact of the outbreak on the stock markets, industrial production and the demand for oil. However, it is difficult to predict the long-term impact of the outbreak on the economy as a whole and on FSN, and especially in low-income countries, based on current experience. But signs of economic slowdown and food value chains disruption are evident.

The broader economic crisis that is emerging because of the COVID-19 crisis poses enormous challenges for food security and nutrition globally. 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. Initial estimates of the International Labour Organization (ILO) indicate a significant increase in unemployment and underemployment in the wake of the pandemic. The ILO preliminary assessment[v] suggests that dropping global GDP growth by 2-8% would lead to the loss of 5.3-24.7 million jobs. This in return, implies large income losses for workers, estimated at US$ 860 million to US$ 3.44 billion.

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. Further, given the seasonality of agricultural production systems, most food producers today, especially in the developing world, engage in non-farm and off-farm activities, both domestically and internationally, to support their livelihoods and equally raise capital for investments in their farms. A reduction in the ability of farmworkers to travel to their employment, both domestically and internationally, contributing to declines in income for food security and capital investment, can have direct implications for people's access to food, in the present and immediate future.

The inevitable global economic recession is also likely to lead to longer term implications for food security, nutrition and poverty. 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, it is expected that commodity prices could fall due to a lack of demand. Also, in this period, because of current downward pressure in oil prices due to competition among main producers, 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, demand and access

COVID-19's impacts on food supply and demand will directly and indirectly affect all four pillars of food security and nutrition (FSN): availability, access, utilization and stability. 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 impacts 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 as of April-May 2020, according to FAO[vi]. 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 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, and the resulting weakened capacity to produce, transform and transport food. One specific issue is the access to inputs in time for the agricultural planting season, as delays due to transport and market disruptions may affect yields and income. Restriction to workers' movements will cause workforce shortages especially relevant for labour-intensive crops, such as fruits and vegetables. Disruptions in food chains and social distancing policies may also affect social assistance, including children relying on school meals when schools close down. According to the World Food Programme (WFP), already about 320 million children have had their primary schools closed due to COVID-19, with most of them losing access to school meals[vii]. 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

Social distancing policies and illnesses cause a **drop in the overall demand** and in the **demand for food-related services** (e.g. restaurants, hotels) with repercussions on loss of jobs, incomes and livelihoods. 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, primarily among those who have the means to over-buy food for storage in their homes. However, it is expected that this short-term spike in purchases will be followed by a declining trend in demand, both in terms of physical ability to purchase food due to movement restrictions and closure of restaurants or other catering facilities, 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 towards packaged food due to perceptions of food safety or convenience can become long-term changes, with repercussions on food systems, livelihoods of food producers and dietary diversity.

Impact on food access

Supply disruptions as well as the **loss of jobs, incomes and employment outlined above will fall especially hard on low wage and casual workers** with more limited savings and access to public healthcare in some contexts. In the absence of responsive social safety nets and robust income assistance, the working poor will see their ability to access nutritious food decline in many situations. Many households will downshift to so-called "inferior goods" as a cost-saving measure, as well as more shelf-stable goods, which could be more processed and less nutritious foods in industrialized countries, or less processed and arguably more nutritious foods in less industrialized countries. However, these too have a cost in terms of enhanced demands on women's time and labour to process these foods, as became evident during the Structural Adjustment Programmes of the 1980s.

The supply, demand and access effects of COVID-19 are interconnected with one another and affect food systems in complex ways. Supply chain disruptions affect patterns of both supply and demand, while economic hardship affects access which influences overall food demand as well as supply chain decisions. All of these effects ultimately affect FSN outcomes.

2. Key messages

As a result of these shifts and changes both in terms of addressing the disease and the broader economic fall-out, **food availability is affected in both the short- and long-term.** Food **access is also 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 affordable as well as 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. Lastly, **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 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 anticipated slowdown of economic growth is expected to increase hunger, thus slowing global efforts in achieving SDG2 targets. As indicated by the SOFI 2019 report "hunger has increased in many countries where the economy slowed down or contracted, mostly in middle-income countries" (FAO, IFAD, UNICEF, WFP and WHO, 2019).

The present crisis highlights existing challenges in food systems and emphasizes the need for improved resilience in food supply chains and in food systems more broadly. 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, restrictions of movements, 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. In particular, it is essential that both workers and inputs necessary to the agricultural production be able to circulate in the coming months, when most of the world's production occurs.

The worsening of the FSN situation can also have negative impacts by facilitating the progression of the pandemic by weakening immune systems, especially of those most vulnerable to the economic impact of the crisis.

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**.

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

The risk for transmission of COVID-19 through food consumption is considered to be minimal (FSANZ[viii], EFSA[ix]), however FAO recommends precautions when handling or consuming meat from wild animals[x], and WHO provides preliminary recommendations for food-handling hygiene measures – to ensure food safety[xi].

While certain wild species have been fingered as the source of COVID-19, it is important not to demonize foraged foods, which are an important source of dietary diversity in some parts of the world, and instead consider the broader structural forces at play that have led to habitat destruction and more frequent human-wildlife interactions. Moreover, the provenance of many wild foods has become obscured as the wild food trade has become increasingly commercialized.

The surveillance of animal health (both wild and farm animals) is key to avoid human health crises[xii], as shown in the successful containment of the Avian Influenza crisis in 2003-2010.

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 policy guidance in response,** in close collaboration with other agencies such as the WHO, FAO, WFP and the United Nations Secretary General's Special Envoy for the preparation of the 2021 World Food Systems Summit.
- **Governments should prioritize the most vulnerable and affected by COVID-19 and its impacts**, such as the elderly, the ill, the displaced, and the urban poor. The specific role of women in health and food systems should be recognized, as food producers, processors and carers. Solidarity among people and communities should be promoted and as a priority continue to empower and support everybody to collaborate and cooperate to confront the emerging challenges.
- **Social protection mechanisms** for the poorest and most vulnerable people during and in the aftermath of the COVID-19 crisis need to be employed that incorporate provisions on the Right to Food, both in terms of quantity and nutritional quality. 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 will need to **support food supply chains** and avoid disruptions in food movement and trade, to ensure that they function smoothly in the face of the crisis and increase resilience of food systems so that they can support food security and nutrition.
- It is essential that **both workers and inputs necessary for agricultural production be able to circulate in the coming months**, when most of the world's production occurs.
- National governments should support local communities and citizens to **increase local food production** (including home and community gardens) through appropriate stimulus packages (in cash and kind) to **enhance food resilience**, **minimize food waste**, and avoid over-buying to **ensure equitable access to food** for all community members.
- Governments should **provide guidelines** 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.

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[i] http://www.fao.org/state-of-food-security-nutrition

[ii] Black et al (2013) Maternal and Child Undernutrition and Overweight in Low-and Middle-Income Countries: Prevalences and Consequences, The Lancet Launch Symposium (6 June 2013, London). Available at: http://download.thelancet.com/flatcontentassets/pdfs/nutrition_2.pdf

[iii] OECD Interim Economic Assessment – Coronavirus: The world economy at risk. 2 March 2020. Available at: http://www.oecd.org/berlin/publikationen/Interim-Economic-Assessment-2-March-2020.pdf

[iv] https://www.csis.org/analysis/impact-covid-19-humanitarian-crises

[v] https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_738753.pdf

[vi] http://www.fao.org/2019-ncov/q-and-a/en/

[vii] https://www.wfp.org/news/world-food-programme-gears-support-children-left-without-meals-due-covid-19-school-closures

[viii] https://www.foodstandards.gov.au/consumer/safety/Pages/NOVEL-CORONAVIRUS-AND-FOOD-SAFETY.aspx

[ix] https://www.efsa.europa.eu/en/news/coronavirus-no-evidence-food-source-or-transmission-route

[x] http://www.fao.org/2019-ncov/q-and-a/en/

[xi] https://www.who.int/news-room/q-a-detail/q-a-coronaviruses

[xii] Until we start thinking of human and animal health as linked, another coronavirus is inevitable. The Independent, London, 26 February 2020. Available at: https://www.independent.co.uk/independentpremium/voices/coronavirus-symptoms-latest-china-human-animal-health-outbreak-a9359841.html