

Coronavirus and Food Security: The Plight of Consumers

Background

The coronavirus pandemic has posed serious threats to food security in Ghana. Food insecurity means there is inadequate available food to consumers: a low quality which cannot give a balanced diet, high food prices, and subsequently poor health.¹ According to the World Food Programme (2020), the number of people facing food crisis is likely to double due to COVID-19,² i.e. from 135 million in 2019 to 265 million by the end of 2020. The issue of food security, especially during this humanitarian crisis, is influenced by the soaring food prices, and low development of the value chain as well as disruption in the logistics and supply chain. The increasing food insecurity can have dreadful consequences on the economy, hence deserves special attention.

Types of Food Insecurity during COVID-19

There are two main types of food insecurity, namely, chronic and transitory. Chronic food insecurity is persistent, mostly resulting from prolonged periods of poverty, while transitory food insecurity is usually short-term, resulting from shocks and instabilities in food availability and food access such as high food prices.³

This implies that poverty is positively related to food insecurity. As such, the poorer one becomes, the higher the inability to meet food needs. The most worrying type of food insecurity in Ghana because of COVID-19 pandemic is transitory. Before the pandemic, Ghana had about 1.2 million people being food insecure and 2 million people likely to be food

insecure in an event of any natural or man-made shock.⁴

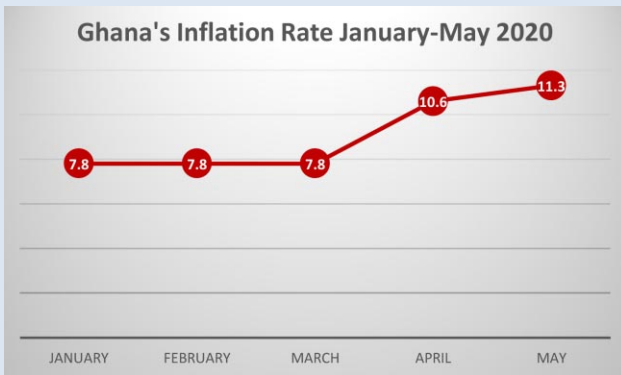
This means that more than 12 percent of the population is likely to be food insecure, thereby entering into deeper vulnerability. The most vulnerable during this pandemic is the urban poor who does not only have the income to buy food but also do not have access to food items due to shortages in major cities.

Reasons for Food Insecurity during COVID-19

The causes of food insecurity during this pandemic are more internal than external. As part of the country's national response, two major cities, namely, Accra and Kumasi were partially locked down for three weeks and all border movements banned. In April 2020, the Ministry for Food and Agriculture announced that the country had enough food to survive the partial lockdown, hence citizens should not panic.

However, a 2020 KPMG report assessing the economic impact of COVID-19 in Ghana revealed that if the pandemic continues and intensifies, there will be food shortages and inflation in the prices of food items. The increasing food insecurity during this pandemic, particularly the partial lockdown, can be attributed to the high food prices, fear and panic buying, limited market information, and underdevelopment of the food chain.

Increasing food prices has been one of the key factors contributing to food insecurity during this pandemic.



Source: Data extracted from Trading Economics

The country's inflation rate has escalated since the partial lockdown. From a constant rate of 7.8 percent from January-March 2020, the inflation rate increased speedily to 10.6 percent in April and 11.3 percent in May 2020 (shown in the chart below).⁵

This ever-increasing inflation rate corresponds to high food prices. For instance, the food & non-alcoholic beverages prices increased from 8.4 percent to 14.4 percent in March with vegetables increasing 37 percent and fruits and nuts 20.5 percent.⁶ In April, food prices rose to 15.1 percent, mostly in areas under the partial lockdown.⁷ Overall, food prices during the partial lockdown escalated by 20-33%.⁸ The continual surge in inflation in the country will have detrimental effects on most citizens because Food and Non-Alcoholic Beverages constitute about 43.6 percent of total the country's Consumer Price Index (CPI).⁹ The efforts to help provide food to people who were food insecure were through the distribution of already cooked food by civil society groups, NGOs, and the government.

The fear and panic among suppliers aggravated the situation. Many food traders and farmers limited their supply of food to highly infected cities for fear of acquiring the virus. Panic buying for the fear of a nationwide lockdown also contributed to the hike in food prices, especially in more affected cities. The closure of borders also has dire consequences on food availability in Ghana. This is because there is little movement of goods and humans across countries. This has limited the choices of consumers, thereby shooting the prices of local food items.

While the National Buffer Company or the NAFCO could be central to remedying the high food prices during the pandemic, it is limited in capacity to help the situation. Although Ghana is largely a free market economy, there is the current weakness in the regulatory system, resulting in little to no check and balances of the actions of food crops sellers, especially middlemen who buy foods at very cheap prices from farmers and sell them at very high prices to consumers has also worsened the situation.

Also, the lack of logistics, data, and statistics on the tonnes of food consumed at destinations has contributed to the inability to plan for food distribution. The market women, especially the "Market Queens", have, therefore, capitalised on this weakness to manipulate the amount of food to be sold on a daily and weekly basis just to cause an artificial shortage. In times of this pandemic, these queens sometimes exploit consumers by hoarding food items and selling a few for higher prices.





Efforts by the Ghanaian Government

The government of the country, to reduce the impact of the food insecurity on citizens, especially the poor, provided both cooked and uncooked food the poor in lockdown cities.¹⁰ This initiative was unsustainable in terms of the funding. For the three weeks during the lockdown, the government had spent about Gh¢40 million on only the food to vulnerable groups.¹¹

Also, the government allocated an amount of GH¢40.3 million for the purchase and distribution of dry food from the Ghana National Buffer Stock Company to the vulnerable in lockdown areas.¹² However, the impact was not readily seen in the lives of citizens. Many in locked down cities were severely food insecure to the extent that they breached safety protocols to survive.

Conclusion and Policy Recommendations

It is prudent for various stakeholders, most especially the government, to bring onboard initiatives that will enhance access to food across various groups of people. This is because a healthy nation is a wealthy

nation and a proper and balanced diet requisite for good health. Persistent increasing food prices, coupled with weak linkages along the value chain during the pandemic, will have implications on the health of people and the general development of a nation.

While the COVID-19 has affected the Ghanaian food market, it has also exposed the weaknesses in the food production and supply in the country, hence a call for action. There is, therefore, the need to institute short, medium, and long-term measures to tackle this phenomenon.

1. In the short term, Ghana can boost its National Buffer stocks by expanding its outlets, stocking more food, buying more food directly from farmers for storage. This will help prevent food shortages as well as post-harvest losses. Also, taking charge of the role of the middlemen during this pandemic will help reduce food shortages in negatively affected urban centres. The government should look at the food supply chain and identify which of the nodes that the state can intervene with some form of



support. In a broader term, the Ministry can issue an emergency food security plan to make sure food is available at places of need.

2. A medium-term strategy can be the development of the value chain and provision of loans at lower interest to sectors along the chain which are poorly developed due to low investment and funding such as manufacturing can help create a synergy among all sectors along the chain.

3. Also, the availability of market information can help connect areas of raw materials to industries. This can also help the buffer stocks to collect food at places of abundance, and store for future food needs.

4. The long-term strategy should focus on the promotion of local Agro-processing industries and the setting up of new ones. These industries should be strategically situated to allow efficient development of the value chain.

Endnotes

- 1 Challinor A, Wheeler T, Garforth C, Craufurd P, Kassam A (2007) Assessing the vulnerability of food crop systems in Africa to climate change. *Clim Chang* 83(3):381–399.
- 2 UN World Food Programme 2020 <https://www.wfp.org/news/covid-19-will-double-number-people-facing-food-crises-unless-swift-action-taken>
- 3 Food and Agricultural Organisation (2008) An Introduction to the Basic Concepts of Food Security <http://www.fao.org/3/al936e/al936e00.pdf>
- 4 WFP (2009). Comprehensive food security and vulnerability analysis. Accra, Ghana. <http://www.wfp.org/food-security>.
- 5 Trading Economics <https://tradingeconomics.com/ghana/inflation-cpi>
- 6 Trading Economics <https://tradingeconomics.com/ghana/inflation-cpi>
- 7 *ibid*
- 8 Connell Alliance for Science <https://allianceforscience.cornell.edu/blog/2020/03/covid-19-virus-spread-prompts-food-insecurity-fears-in-africa/>
- 9 Trading Economics <https://tradingeconomics.com/ghana/inflation-cpi>
- 10 <https://reportghana.com/government-providing-food-for-400000-individuals-and-homes-in-locked-down-areas-akufo-addo/>
- 11 Ghana Web <https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Minority-petitions-Domelevo-to-probe-GH-280-3-million-coronavirus-cash-970240>
- 12 *ibid*

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