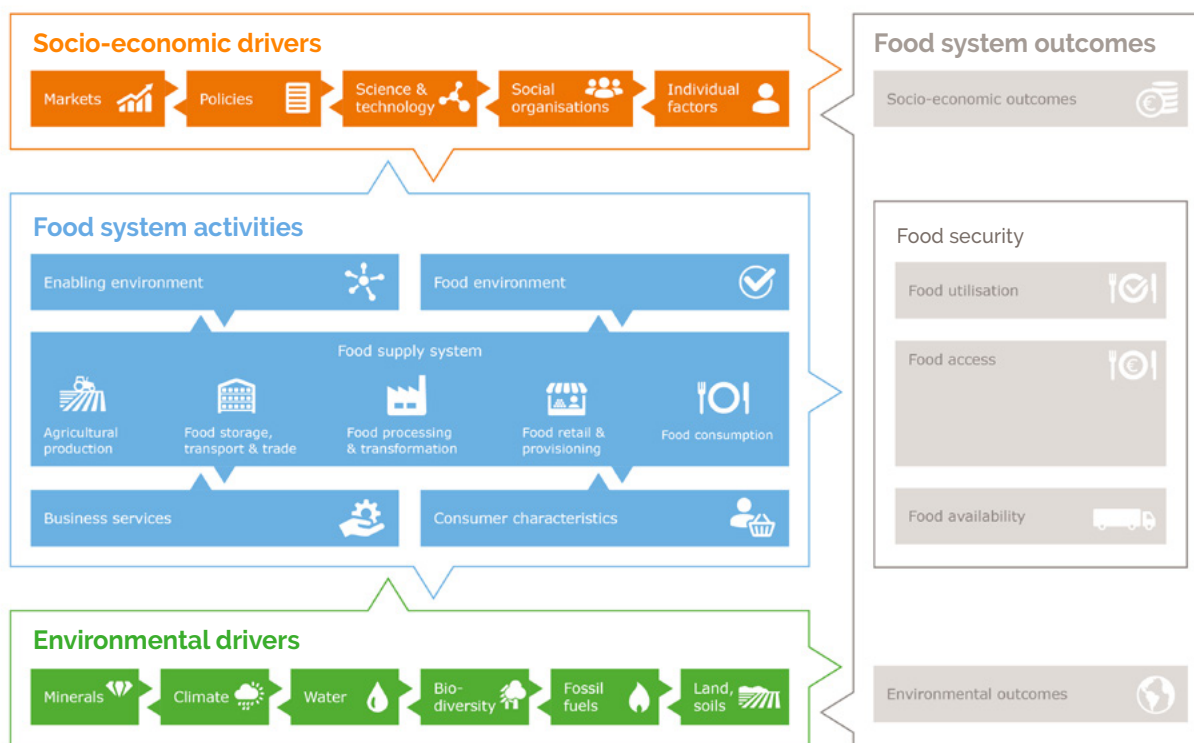


# Kenya

Social distancing in the market (Photo: Sambrian Mbaabu)



## The impact of COVID-19 on the food system

Over the past months, governments and their health agencies are trying to combat the spread of the COVID-19 pandemic with mobility restrictions and social-distancing measures. We value their efforts to protect people's lives, health and livelihoods, as these measures contribute to a reduction in the likelihood of human mortality, severe health consequences and the spread of the disease, especially among vulnerable people and communities.

However, these efforts have also resulted in challenges in the functioning of the food system, also in low and middle income countries. This rapid country assessment was set out to synthesise available secondary data in relation to the impact of the COVID-19 crisis and prioritise short-term challenges and actions required in Kenya. In this report we present the key impacts of the COVID-19 crisis on the food system, the effects of the lockdown measures on the most vulnerable groups, gaps identified in the data analysed and in government responses to the crisis, and actions required to address short-term priorities and challenges. The initial findings were further refined and approved by a panel of experts. More information on the methodology can be found on [page 11](#).

The analysis is based on the food systems approach outlined by Van Berkum et al. (2018)<sup>11</sup>. An overview of relevant food system drivers, activities and outcomes can be [found here](#).

## Key impacts on the food system

The impacts of COVID-19 can be divided into **immediate health effects** and effects **resulting from the measures taken**. We **concentrate on the latter**, as the **vast majority of impacts are linked to the measures taken to stop the spread of COVID-19 in Kenya**.

### Large-scale loss of paid work, with widespread income loss

- An estimated 52% of small businesses and 58% of micro-enterprises have laid-off workers, especially firms in agriculture, hospitality, transport and manufacturing<sup>4</sup>. Small- and medium-sized enterprises (SMEs) play a key role in the supply and distribution of food and they currently face the biggest challenges in terms of finance and transport, etc., which could have a long-term impact on food security.
- The youth are bearing the brunt of job losses: according to the Kenya National Bureau of Statistics, an estimated 771,000 young people have lost their jobs over the last three months<sup>2</sup>.
- The national poverty rate is expected to increase by 13 percentage points during the lockdown period, resulting in a further six million people temporarily living below the poverty line, at 1.90 United States dollars a day<sup>3</sup>. According to the panel of experts, urban to rural migration is anticipated to increase after lockdown measures are eased, as people find it increasingly difficult to cope in urban areas.

### Travel restrictions hampering agricultural trade and input supplies

- According to the expert panel, input delivery (both for crops and livestock) is heavily constrained due to restrictions in mobility and border closures. The cross-border import of agricultural inputs (e.g. antibiotics, animal feed, fertiliser and some food crops) is a key challenge. 40% of SMEs involved in agriculture reported a significant negative impact on their ability to source agricultural inputs for sale, while 55% of people involved in the processing of food reported not having enough raw materials to meet current demand<sup>4</sup>.
- Negative impacts on extension services are hardly mentioned in the reports analysed, but are a key issue according to the expert panel. Cooperatives have been hit hard by the inability to roll out extension services due to restrictions in farmer mobilisations and a lack of farm visits. As a result, an average drop of 15% in crop production/yields has been observed<sup>5</sup>.
- Exports of the three largest agricultural sectors – tea, coffee and horticulture – are reported to be down 40% due to limitations in international transport and weak global demand<sup>4</sup>.

### Rise in prices resulting from an increase in domestic demand and decrease in food availability

- Local demand for vegetables and staple crops is on the rise, as people are prioritising staple foods – such as maize – and non-perishables for stockpiling. The struggle to fulfil this demand results in price increases. Demand is expected to fall again due to the price increases and decline in purchasing power<sup>3, 6, 7</sup>.
- Market closures, supply chain disruptions and absence of school meals is affecting household food access, particularly households dependent on casual labour and informal sector work. Local markets play a crucial role in the informal economy and in the supply of fresh food at affordable prices for the poor and medium-income groups in the country. Small, independent transport companies account for about 90% of food transport activities. Disruptions in their activities have a major impact on food security<sup>3</sup>.
- An estimated 3 - 3.5 million people will be food insecure in the near future, which is more than double the current number of 1 - 1.5 million<sup>8</sup>.

### Lack of cash in the informal sector

- While lack of finance is not featured clearly in the reports analysed, the expert panel mentioned that lack of liquidity and investment capital is a key issue, particularly in the informal sector. Market traders are not selling enough to provide credit to retailers and others further up the chain. This is blocking the entire informal supply chain. Access to finance is now crucial in informal value chains, especially with demand changing and people starting new ventures.
- Job loss in the informal sector probably matches that of the formal sector, but data on the impact of the COVID-19 crisis on jobs in the informal sector are not yet available. Up to 84% of all jobs are in the informal sector<sup>8</sup>.



Empty market stalls due to lockdown (Photo: Worldbank, Sambrian Mbaabu)



Poultry Farmer (Photo: Worldbank, Sambrian Mbaabu)

## Key impacts on vulnerable groups

Available data are strongly biased towards the formal sector, probably due to the fact the sector is better equipped for rapid large-scale data collection. The following groups have been identified in the panel discussion and reports as being particularly affected by COVID-19 measures and health risks.

*Groups identified and their vulnerabilities in relation to the COVID-19 crisis*

Food insecure households in informal urban settlements	Poor, lactating and pregnant women and young children	Marginalised women and youth with informal positions in food chains	Youth
Mobility restrictions have a big impact on this group, as the loss of informal employment opportunities means a large reduction in purchasing power and therefore in expenditure on food. This group is also likely to suffer from more health-related shocks and stresses, and the lack of savings and food stocks may prove detrimental in future lockdowns.	Lactating and pregnant women are at risk of malnutrition from decreased protein intake, especially those who lack affordable cash or food stocks. Existing reports do not include any analysis of data on the nutritional intake of this group and of children.	This group lacks the necessary capital and finances to deal with fluctuations in income resulting from restrictions in mobility, but nevertheless forms a key part of the informal food supply system (especially those employed in retail and transport).	According to the panel of experts, the youth are currently bearing the brunt of job losses in the formal sector. Those with little or no savings may be exposed to lenders with malintent or persuaded to join criminal activities, which seem to be on the increase in cities. Many young people who lost their jobs are now starting their own informal businesses in food trade. While this provides new opportunities for young people, it may crowd out existing retailers who suddenly have more competition.

## Gaps identified ...

### ... in reports analysed

- The negative impact of the COVID-19 measures on the availability of agricultural inputs and extension services was highlighted by the panel members as being one of the most significant food system impacts. However, this is not reflected in the reports analysed; the experts noted in particular that impact on extension services is underreported.
- It is difficult to identify and understand the specific situation of more vulnerable groups as little information has been gathered about these groups in the COVID-19 research carried out so far. This makes it hard to understand the exact impact of the pandemic on vulnerable groups in the food system.

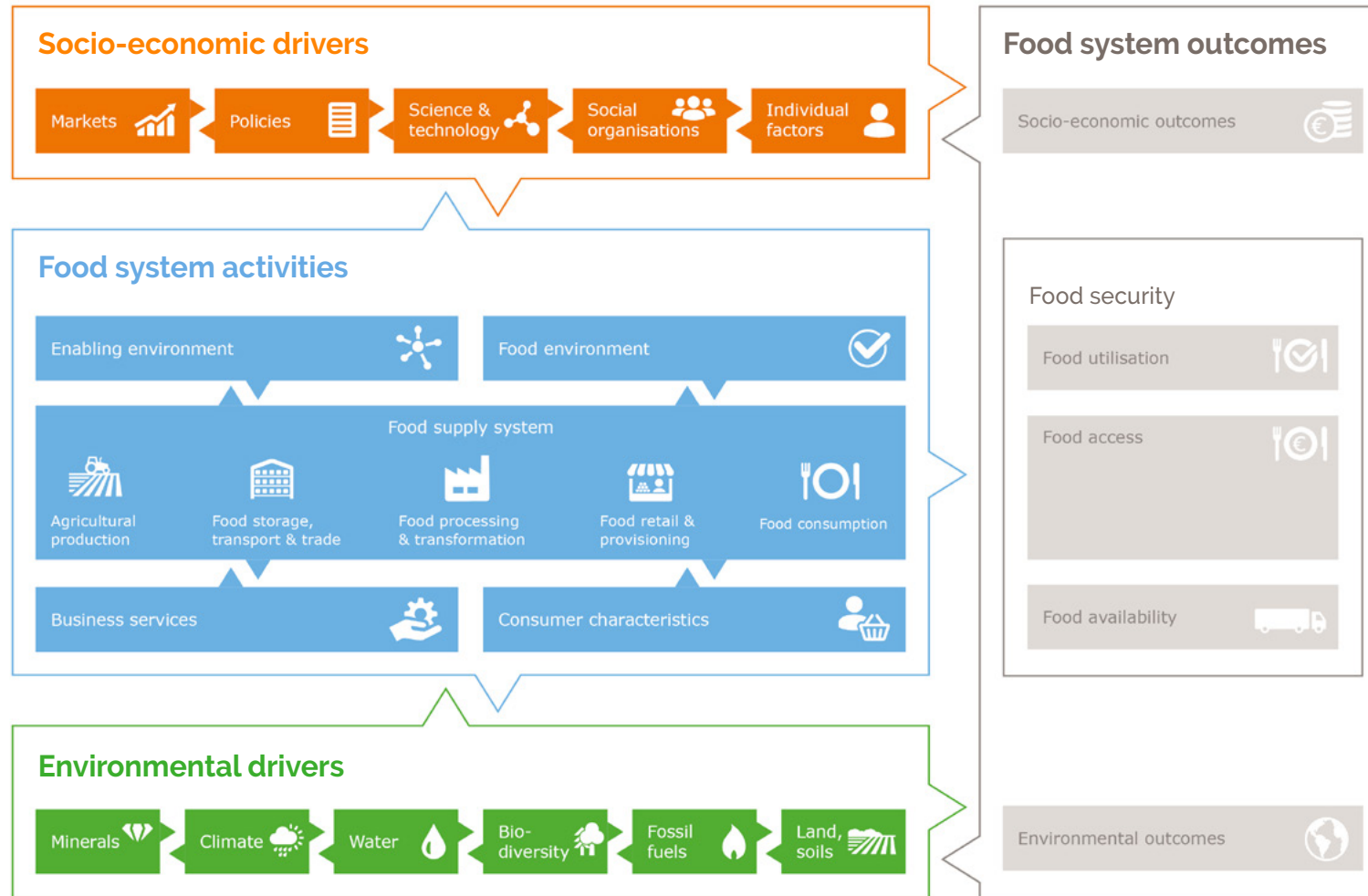
### ... in government responses

- The government support measures appear to prioritise support for the private sector and formal sector (mostly businesses). This is at the expense of informal workers, SMEs and smallholders, even though an estimated 80% of Kenya's employment is in the informal sector. The expert panel stressed the importance of measures aimed at supporting these groups. Reliable data on dietary diversity is largely absent, both in terms of actual consumption and in terms of food aid being delivered. It is particularly important for pregnant and lactating women, and for children under two years of age, that they consume sufficient and diverse food.

## Short-term actions required

- Immediate action is needed to help provide nutritious and diverse food to targeted households that are currently not able to feed their families. Food aid needs to be provided with a focus on diverse and nutritious diets, rather than on calorific value only. Enhanced nutrition information management and surveillance is key.
- Vulnerable groups based in informal settlements and/or (self-)employed in informal sectors must be surveyed better to make financial resources available to meet their direct needs. Some charities are already supporting households in informal urban settlements and refugee camps. Other organisations could learn from those experiences.
- Markets for informal and local food trade must be kept open. Local markets play a crucial role in the informal economy and in the supply of fresh food at affordable prices for the poor and medium-income groups in the country. Experiences of countries that have implemented effective measures for supplying markets and ensuring the necessary hygiene measures are in place at sales points can be drawn on.
- This crisis reveals once more the importance of the informal sector for Kenya's food economy. Acknowledging this and enhancing awareness of the mechanisms that underlie informal trade could support future policies to make informal markets more resilient and inclusive. Support measures should give priority to SMEs and smallholders.

## Food systems approach



## Socio-economic and political drivers

### Socio-economic drivers



#### Markets

- The economic impacts of the COVID-19 crisis are of great concern, particularly the likelihood of a global wave of bankruptcies and lay-offs.
- The Government of Kenya has received funds from the International Monetary Fund (IMF), the World Bank and the Central Bank of Kenya, to navigate the COVID-19 crisis and implement measures to counter the effects of COVID-19 crisis.

#### Policies

- The Ministry of Agriculture has established a COVID-19 Food Security War Room, whose core responsibilities are to ensure the availability, accessibility and affordability of food and water, support farmers and fishermen, and maintain agricultural output<sup>9</sup>.
- Food transport workers and agrio-businesses are exempt from travel restrictions and curfew (currently 9.00pm – 4.00am).
- The government has injected an additional 10 billion Kenyan shillings (KES, 100 Kenyan shilling = 0.94 United States Dollar) into cash transfer programmes targeting the elderly and most vulnerable members of the society, to ensure they can buy food while coping with the effects of the COVID-19 pandemic<sup>3</sup>.

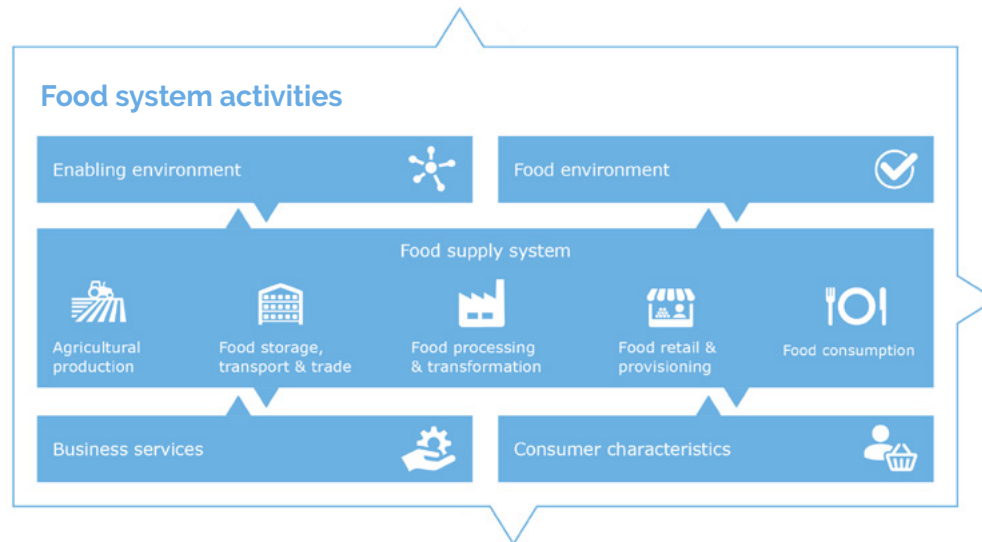
## Environmental drivers

### Environmental drivers



- Whilst the COVID-19 virus continues to spread, Kenya also faces an ongoing major locust infestation - the worst outbreak in 70 years - in addition to heavy rainfall, flooding and intermittent droughts in the lower eastern parts of the country.
- Severe flooding in western Kenya is expected to have a significant impact on the production and yield of staple crops (such as maize), but less so on fresh produce, as production cycles are relatively short.

## Effects of COVID-19 on food system activities



**The number of applications for import permits decreased by 50% between January and April this year, compared to last year. As a result, the cost of some goods and services has been rising, as the Kenyan economy relies heavily on imports<sup>2</sup>.**

### Agricultural production

- Seed stocks (80% of which is produced locally) are reported to be sufficient for this season, but there are concerns about the availability of fertilizer, pesticides and animal feed<sup>7</sup>.
- Restrictions in movement between rural and urban areas, in addition to social-distancing measures, are affecting access to inputs and agricultural extension services, which are mainly based in urban areas.
- The supply and distribution of agricultural inputs for small- and medium-sized enterprises (SMEs) has been severely disrupted by travel restrictions: 40% of agricultural SMEs surveyed reported a significant negative impact on their ability to source agricultural inputs for sale<sup>4</sup>.

### Storage, transport & trade

- Cross-border transportation is facing increased journey times and longer queues, as drivers have to wait to get tested for COVID-19 at crossing points. This has caused delays in food supply and, according to reports, some perishable goods have been wasted (particularly at the Tanzanian border).
- The heavy rains and flooding have not only affected crops but have also hampered access to some key roads in northern and western Kenya, causing disruptions in the supply of produce.
- Exports of the three largest agricultural commodities – tea, coffee and horticulture – are reported to be down 40% due to limitations in international travel and weak global demand.<sup>11</sup>

### Processing & transformation

- Some millers and processors reported having difficulty accessing maize, mainly because of its high aflatoxin contamination levels. Additionally, one survey revealed that 55% of food processors reported not to have sufficient raw materials to meet current demand<sup>4</sup>.

### Retail & provisioning

- The closure of schools and large institutional buyers such as universities and hotels has significantly reduced the markets for some subsectors, including a significant decrease in the demand for milk.

- Local markets are reported to be functional with the exception of some markets in coastal areas, and in Nairobi and Nyanza regions. However, many local livestock markets are reportedly still closed.
- Market traders have reported challenges in the supply chain, such as delays in distribution and transport, and decreases in stock, particularly in western Kenya.

### Consumption

- Household and business spending is set to fall by 50% this year due to disruptions caused by COVID-19 measures and a decline in purchasing power<sup>10</sup>.
- The current high demand for maize is expected to decrease due to increasing prices and lower household purchasing power.
- At international level, the floriculture industry is one of the markets that has been hit hardest in Kenya, owing to the significant decrease in demand for flowers. Currently, horticulture exports are reported to be recovering to pre-COVID-19 levels.

### Creation of an enabling environment

- In March 2020, the National Business Compact Coalition Kenya chapter was launched as a coalition of partners to accelerate local action and support government efforts in countering the COVID-19 crisis, as well as contribute to best-practice sharing.



## Effects of COVID-19 on the food system outcomes

### Socio-economic outcomes

- The impact of COVID-19 measures on SMEs has resulted in 52% of small businesses and 58% of micro-enterprises having to lay-off workers, especially firms working in the area of agriculture, tourism, transport and manufacturing<sup>1</sup>. The youth have been hit particularly hard with job losses.
- An estimated 80% of employment in Kenya is in the informal sector, where restrictions in movement and social-distancing measures have led to a significant decrease in opportunities for economic activity. This includes the most vulnerable households that rely on informal business activities for food and income.
- On the whole, job losses in the formal sector and decreased economic activity in the informal sector have resulted in a significant reduction in incomes and purchasing power. In a survey of low-income households in Nairobi, 95% of respondents indicated that their incomes were lower<sup>1</sup>.

### Food security outcomes

- The economic impact of COVID-19 measures – job losses and a decline in economic activity in the informal sector – combined with increases in the price of staple foods, has had a significant impact on food affordability and access.
- Market closures, supply chain disruptions and absence of school meals affect household access to food, particularly households dependent on casual labour and informal sector work, as well as households in rural areas. It is estimated that 3-3.5 million people will be food insecure in the near future<sup>8</sup>.
- People are prioritising the purchase of staple foods – such as maize – and non-perishables for stockpiling. The struggle to fulfil this demand has resulted in price increases for these staples.

### Food system outcomes

Socio-economic outcomes



#### Food security

Food utilisation



Food access



Food availability



Environmental outcomes



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## Colophon

### Rapid country assessment of the impact of COVID-19 on food systems

To avoid a food, nutritional and socio-economic crisis in the aftermath of the current COVID-19 pandemic, urgent action is needed to address key challenges in food systems. Low- and middle-income countries are particularly vulnerable to the COVID-19 crisis, as these countries are already struggling with multiple and interrelated problems such as the effects of climate change, food insecurity, political unrest, underfunded health services, and/or persistent poverty among a significant part of the population. Following initial macro-level modelling and scenarios of the actual and potential impacts of the COVID-19 crisis, there is now an urgent need for more specific assessments of its impact on food systems, using 'real' ground-based country data.

#### Purpose

The first aim of the rapid country assessments is to synthesise available secondary data and point out gaps in data concerning the current impact of the COVID-19 crisis on the food system in general and vulnerable groups in particular. The second aim is to identify priorities for immediate action and possible trade-offs and synergies of proposed actions that would contribute to achieving resilient and more inclusive food systems. These rapid country assessments are conducted in Bangladesh, Ethiopia, Kenya and Mali. More information about the country assessments in Bangladesh, Ethiopia and Mali can be found found [here](#).

#### Institutional reference

This rapid country assessment is the result of a collaborative effort between the Community of Practice on Knowledge in relation to the COVID-19 crisis in low- and middle-income countries - an initiative of the Dutch Ministry of Foreign Affairs, the Netherlands Food Partnership and the Global Alliance for Improved Nutrition (GAIN) - and several other communities of practice (CoPs), to support joint Dutch responses to the COVID-19 pandemic. More information on this can be found [here](#).

#### Contributing organisations

In Kenya, the following organisations were represented: Agriterra (represented by Hillary Maket); Base of the Pyramic Inc (BoP; represented by Janet Macharia); Global Alliance for Improved Nutrition (GAIN; represented by Navneet Mittal), HIVOS (represented by Henry Wera and Anne Majani); Ministry of Agriculture, Livestock and Fisheries (represented by Joshua Oluyali); Sidai Africa Limited (represented by Christie Peacock); SNV Netherlands Development Organization (represented by Jeen Kootstra, John Masine); Society of Crop Agribusiness Advisors of Kenya (represented by Rikki Agudah); and Sustainable Inclusive Business Kenya (represented by Ebenezer Alenga).

#### Method

In-country networks of members of the CoP on Knowledge collect relevant secondary data in relation to the impacts of COVID-19 on the respective food systems. The analysis of available data is based on the food systems approach outlined by Van Berkum et al. (2018)<sup>11</sup> and on the notion of vulnerability analysis<sup>12</sup>. Available data are aggregated and summarised, commonalities and differences (or conflicting messages) are assessed, data gaps are identified, and priority actions mentioned in the reports are recorded. The initial findings are reviewed by a panel of experts representing different fields of expertise, sectors and stakeholder groups in the food system (see above for the list of organisations that contributed in Kenya).

The rapid assessments synthesise available information for use by practitioners and policymakers, and are conducted under extreme time pressures. The entire process takes three weeks. One of the implications is that due to the speed of the assessment, we have to compromise on the depth of the analysis. The current assessment is a pilot. If successful, we will repeat this process in other countries.

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