

April 2020

Strengthening the Global Food Chain During COVID-19 Pandemic

COVID-19 Pandemic Impact on Food Security

The Global Pulse Confederation (GPC) and the Grain and Feed Trade Association (GAFTA) are part of the broader global community concerned with the social and economic health challenges brought on by the COVID-19 pandemic. The pandemic and efforts to manage the spread of the disease have changed the lives of people around the world leading to an upheaval in global capital markets, undermining global currencies and has created greater risk for people that were already food insecure. Food insecurity is being exacerbated by challenges with the logistics of moving food from areas of surplus to areas of food deficits. These challenges are in part caused by impacts on manufacturing and the global movement of consumer goods, a shift and slowdown in consumer buying, limitations to movement of people vital to the logistics system and availability of equipment such as containers.

GPC and GAFTA applaud actions and policy proposals at the country level to limit the damage to the food system from the COVID-19 pandemic. Support for farmers and the systems providing agricultural inputs has included direct financial aid and access to credit, as well as support for the most vulnerable consumers.

However, a global approach to addressing food security is also needed. In addition to having a sharp focus on domestic food security during this period of limiting the spread of the disease, governments around the world need to work together on a global plan to enhance food security in the short to intermediate term. In addition to efforts to stabilize domestic production, governments can help build resilience in global food security systems by fostering trade in food. Governments can work to remove trade restrictions that come in the form of government policy. Access to food should know no boundaries.

The International Food Policy Research Institute reminds us that the food price crisis of 2007-2008¹ started out with concerns about food availability. The imposition of export restrictions by governments in some countries, and actions by other governments to procure supplies, added significantly to global price volatility.²

¹ <https://www.ifpri.org/blog/covid-19-trade-restrictions-are-worst-possible-response-safeguard-food-security>

² <https://public.tableau.com/profile/laborde6680#!/vizhome/ExportRestrictionsTracker/FoodExportRestrictionsTracker>

Rather than fostering conditions through the introduction of new policies that create a food crisis, government leadership at the national and global level is needed to coordinate a measured response to enhance food security. Governments are obligated to ensure that a health crisis does not, through the actions of their own policies, become a food crisis.

The Architecture of Resilience in Global Food Supply Chains

Through their actions, including communication targeted to consumers, governments can help build food security. Key among those actions is the recognition of global trade as a cornerstone of stable prices and food security.³ Logistics systems provide vital support to execute trades. Food production systems are not immune to variable weather that impacts production and food quality. Global trade provides stability against regional production shortfalls and generates revenue for farmers.

Government policy and actions should follow principles that recognize the interdependence of food producing regions and food deficit regions around the world.⁴ By design, government approaches to food security can build resilience with consideration of the following:

1. Monitoring of global stocks and projected use of important food and feed commodities. Current food and feed stocks do not suggest actions that warrant restrictions in exports by any country. Acting on an abundance of caution as it relates to food and feed supplies can have the unintended effect of fueling actions which negatively impact the most food insecure countries and consumers;
2. Monitoring of logistics system performance. Timely food and feed delivery is a key concern during the COVID-19 crisis. Around 80% of global trade is transported by commercial shipping.⁵ Blank vessels and global container availability affecting delivery of both empty and loaded containers may continue to impact movement of food for many months. Quarantine policy is also creating delays in loading and unloading of containers which will exacerbate system performance;⁶
3. Monitoring of food production systems. Restrictions on movement of labour or restrictions on movement of critical inputs could hamper production at both the farm level and at the food processing levels. Every effort must be made to ensure that crops are planned, cared for and harvested in a timely manner;

³ <http://www.fao.org/2019-ncov/q-and-a/en/>

⁴ <http://www.fao.org/news/story/en/item/1268254/icode/>

⁵ <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2311>

⁶ <https://www.cnbc.com/2020/03/16/coronavirus-wreaks-havoc-on-retail-supply-chains-globally.html>

4. Restrictions on both export and importation of food and feed. COVID-19 has created many real concerns but it has not changed the underlying supply or demand of food and feed items.⁷ Actions by government to restrict import or export of food and feed may serve to undermine consumer and trade confidence in the resilience of global food systems,⁸ and;
5. Additional measures that restrict trade en route. New measures by government must recognize the impact on existing contracts and on products en route to markets. Without exemptions for product en route to markets, trade risk can be increased undermining financial stability of the global trade and ultimately returns to farmers.

The Global Pulse Confederation (GPC) believes that government and industry partnerships can ensure that the health of people is protected, and that adequate supplies of high-quality food continue to flow to food deficit regions around the world. The GPC is asking all governments to work with members of the pulse trade to develop policies that ensure that essential foods, including pulses, are grown in sufficient quantities to meet global demand, and that predictable and transparent government policies reduce trade risks to allow the movement of foodstuffs from regions of surplus to food deficit markets around the world.

GPC is the apex body of the international pulse industry representing 25 national federations, and more than 500 private companies and affiliated industry members throughout the world. GPC and its members are committed to maintaining a strong and robust global food supply chain contributing to food security and the economic well-being of farmers around the world by: fostering a stable trading environment for pulses; promoting adoption of reasonable and justified plant protection policies; facilitating trade during changes in domestic trade policy, and; facilitating trade by increasing use of GPC Pulses Contract.

Gafta is an international trade association with over 1650 members in 94 countries. Our aim is to promote international trade in agricultural commodities, spices and general produce, and to protect our members' interests worldwide. Gafta members include traders, brokers, superintendents, analysts, fumigators, arbitrators and other professional services.

⁷ <https://www.fas.usda.gov/psdonline/circulars/production.pdf>

⁸ <https://gfpr.ifpri.info/2018/02/16/chapter-3/>