



# National agrifood systems and COVID-19 in Uganda

## Effects, policy responses, and long-term implications

This country profile covers responses and effects up to mid-October 2020

### INTRODUCTION

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The COVID-19 pandemic has put significant pressure on health systems all around the world. The drastic measures established to contain its spread are creating serious impediments to economic activity (including agrifood systems) and, consequently, to livelihoods and food security and nutrition.

The COVID-19 outbreak demonstrates both how health and food systems are linked to one another, and how local food systems are linked to global systems. High rates of urbanization and the globalization of trade and travel have contributed to the spread of the virus across countries. Lockdowns and movement restrictions within countries and across borders have disrupted national and local food and agricultural output and input markets and have caused sharp reductions in overall economic activity globally. In poorer countries, disruptions have further exacerbated the fragility of systems (including agrifood systems) and livelihoods.

The Global Report on Food Crises 2020 found that 135 million people in 55 countries and territories are facing acute food insecurity at “crisis” level or higher – a situation that requires urgent action. The report further concluded that over 183 million people were experiencing a “stressed” level of acute food insecurity and bore a high risk of sliding into a “crisis” level if confronted by with additional shocks (FSIN, 2020). The situation is particularly worrisome in light of the evolving nature of the COVID-19 pandemic.

As the situation evolves, the question arises as to how, or whether, food, health and financial and economic systems could become better prepared to prevent similar outbreaks from escalating into a full-blown economic and social crisis.

This report is part of a series of country profiles that describe: (i) policy measures enacted by governments to contain the spread of the virus; (ii) policies and measures to stabilize the functioning of agri-food systems; (iii) potential effects of policies on agri-food systems and vulnerable groups. Finally, the profiles also assess longer-term options for agri-food system policies and investments so as to make them more resilient.

## POLICY MEASURES TO CONTAIN COVID-19

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### What major measures have been taken to contain the spread of the virus? How are they evolving?

#### Gatherings

- With effect from 21 March 2020, Uganda closed all educational institutions, accounting for 15 million young Ugandans. The move barred school-aged children from accessing school meals.
- All shops selling food and agricultural products, pharmaceuticals, veterinary products and equipment have remained open; they are required to follow standard operating procedures (SOPs) as directed by the Ministry of Health (MoH).<sup>1</sup>
- From March 21 until the end of May 2020, Uganda was under a quasi-complete lockdown. In June, the country began to reopen a few sectors only, to prevent the spread of the COVID-19. Places of worship, educational institutions, sports facilities and entertainment venues remained under lockdown.

#### Travel

- There was a ban on international commercial air travel and land border crossings until the end of September 2020<sup>2</sup>, except for the transportation of basic necessities such as groceries, industrial inputs, medicines, food and food-related items.
- Ugandans were advised not to travel to or through countries with a large number of cases of COVID-19 (e.g. Western Europe, China, United States of America and South Africa).
- Returning Ugandans and residents must undergo a 14-day quarantine at their own cost.<sup>3</sup>
- Travellers are prohibited to enter Uganda on foot from neighbouring countries.
- Since June, restrictions on in-country passenger transport have since been eased in all districts, including the 33 border districts where there have been no reported cases of COVID-19. Transport remains restricted in districts with reported cases.
- The opening of the public transportation system in June has allowed casual workers in the agrifood sector and food supply chains to operate throughout the country.
- Fish landing sites have been closed to reduce the spread of COVID-19 in fishing communities, greatly reducing fishing activities.
- Movement restrictions have disrupted the transhumance of animals, severely reducing the ability of pastoralists to feed their animals.

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<sup>1</sup> These include physical distancing, wearing a face mask and frequent handwashing using a soap and/or hand sanitizers.

<sup>2</sup> Commercial flights resumed their operations on 1 October 2020.

<sup>3</sup> With effect starting on 1 October 2020, every passenger entering into Uganda must show a negative PCR COVID-19 test done within the previous 72 hours. No quarantine required for incoming passengers who tested negative for COVID-19.

## AGRIFOOD POLICY MEASURES TO RESPOND TO THE EFFECTS OF THE CRISIS

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### What are the major measures (in place or expected) to be enacted aiming at the food system directly?

#### Food production and processing

Overall, crop production has not been affected by the COVID-19 lockdown. According to agricultural experts, the expected crop production from the first season (March-July 2020) has not been much different to that of the same season in 2019. The production and processing of food in Uganda continues without restriction. Postharvest and processing activities carry on countrywide. Farmers have been provided with e-vouchers to assist them to access high quality agricultural inputs, seeds and fertilizers.

With regard to livestock, food produce can be transported from farmers to markets, but with strict observance of COVID-19 SOPs. While livestock markets are suspended, livestock sales can take place at the farms of origin, provided that no more than ten people are present at any one time. Veterinarians have been advised to continue to provide extension services, ensuring appropriate levels of bio-safety and bio-security measures. All veterinary laboratories, animal checkpoints, disease control infrastructures and slaughterhouses have been allowed to operate following SOPs provided by the MoH. Butchers and meat shops have been authorised to continue their activities, ensuring strict observance of the hygiene and sanitary conditions imposed by the MoH.

#### Food marketing and trade

The government has authorised existing food markets to continue operations under two conditions: i) a distance of two metres must be maintained between sellers and buyers; and ii) food sellers must stay within designated areas and be replaced after 14 days.<sup>4</sup> Factories that produce food and non-food items have been authorised to continue operations, provided that workers camp around the factory area for 14 days so as to reduce the chances of contracting COVID-19 and respect the COVID-19 hygiene practices recommended by the World Health Organization (WHO) and the MoH.

Uganda's borders have remained open for trade, both the export of commodities and the import of agricultural inputs. Transporters can continue to cross back and forth from Kenya, South Sudan, etc. A number of challenges have been encountered, such as delays due to health controls, which have led to increased transport costs. There are, however, no official restrictions on the regional and domestic transportation of goods.

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) has proposed to support innovative efforts to alleviate COVID-19 impacts and its associated containment measures, such as digitally-facilitated logistics to reduce the effects of control measures on transport, distribution and retailing systems for inputs, especially in rural areas.

#### Safety of workers and food

MAAIF has proposed supporting farmers' efforts to produce and market food, for example by increasing access to personnel protective equipment (masks, gloves and sanitizers, etc.). The

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<sup>4</sup> Two teams take turns during alternate two-week periods to lower their risk of contracting COVID-19.

Ministry is also in the process of fast tracking sanitary and phytosanitary policies to strengthen food safety and hygiene during the movement of food from one location to another.

### **What policy measures are in place or expected that aim to mitigate the effect of the crisis on vulnerable groups and their livelihoods?**

#### **Boosting immunity to fight COVID-19**

Government extension services are advising farmers to increase their immunity by diversifying their diets with a range of fruits and vegetables. In addition, Ugandans are being encouraged to grow and eat biofortified nutrient-dense crops (vitamin A-rich crops, orange fleshed sweet potato; iron/zinc-rich beans, etc.).

#### **Social protection**

Currently, Uganda's direct income support programmes are: i) the Senior Citizens Grant (SCG) and ii) the third phase of the Northern Uganda Social Action Fund (NUSAF3).<sup>5</sup> There is also the Labour Intensive Public Works programme under the Office of the Prime Minister. The number of Ugandans reached by direct income support programmes has fallen since 2014 as programmes have come to an end. Currently, the SCG and NUSAF3 only cover about 3 percent of the population, which is completely inadequate to reduce poverty at scale (UNCT-Uganda, 2020). Nevertheless, the SCG has been expanded to cover an additional 71 districts and is due for a national rollout shortly, while the World Bank is working to provide additional support to NUSAF3.

The United Kingdom of Great Britain and Northern Ireland's Department for International Development (DFID) is exploring possibilities to deliver enhanced social protection through Uganda's Social Assistance Grants for Empowerment<sup>6</sup> (SAGE) and Give Directly programmes.<sup>7</sup>

The Government of Uganda has undertaken policy measures that directly benefit many low-income households. Food, including maize flour, beans and sugar, is being distributed to vulnerable groups (e.g. casual labourers, informal workers, the unemployed, people with disabilities, etc.) in Kampala and surrounding areas. Cash for work programmes will be expanded to benefit 500 000 individuals. Access to essential utilities, such as electricity, water and sanitation services, is guaranteed. Payments have been extended – consumers who cannot pay at the moment can arrange with service providers to pay at a later time or in manageable instalments.

#### **Fiscal and monetary policy measures**

On 6 April, the Government of Uganda discussed a cabinet paper containing proposals to defer taxes and provide support to the most affected economic sectors. The Bank of Uganda has announced a set of measures to support the financial sector, for example by reducing interest rates to 8 percent while providing liquidity assistance and a moratorium on loan repayments. The Uganda Revenue Authority (URA) has announced changes in tax administration to ease the cost of tax compliance. The Government has also recapitalized the Uganda Development Bank, the Uganda Development Corporation and the Micro Finance Support Centre to provide affordable credit for small and medium enterprises (SMEs).

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<sup>5</sup> The Northern Uganda Social Action Fund Project (NUSAF) aims to empower communities in Northern Uganda by enhancing their capacity to systematically identify, prioritize, and plan for their needs and implement sustainable development initiatives that improve socio-economic services and opportunities. The project consists of four components: i) community demand initiative ii) vulnerable group support component; iii) community reconciliation and conflict management; and (iv) institutional development.

<sup>6</sup> SAGE provides a monetary transfer to persons of 65 years and above (but lowered in the case of more vulnerable Karamojong region to 60 years).

<sup>7</sup> Give Directly provides a monetary transfer to poor households.

## How is the government funding the measures described above?

The government passed through Parliament a supplementary budget of UGX 304 billion (USD 82 million) of which UGX 82 billion (USD 22 million) will fund health initiatives; UGX 81 billion (USD 21.8 million) will fund security; UGX 59 billion (USD 16 million) will fund disaster management; UGX 36 billion (USD 9.7 million) will fund local government; UGX 30 billion (USD 8.1 million) will support initiatives in Kampala City; and UGX 14 billion (USD 3.8 million) will support initiatives on information and communication technologies.

In March, the World Bank provided Uganda with USD 15 million to support maternal and child health as well as USD 300 million<sup>8</sup> in budget support to: i) strengthen the COVID-19 crisis response and help protect the most vulnerable people; and ii) foster economic recovery and debt transparency. This budget support will also provide subsidies and tax exemptions for supplies and equipment used in treating COVID-19 and will provide immediate relief to individuals and businesses – including agribusinesses - that have been affected by the pandemic (World Bank, 2020). In July, the World Bank approved an additional USD 15.2 million to assist Uganda to strengthen national systems for emergency health preparedness through the Uganda COVID-19 Response and Emergency Preparedness Project. The project is financed by an International Development Association credit of USD 12.5 million and a grant of USD 2.7 million from the Pandemic Emergency Financing Facility. It is the first budget support operation in more than six years and will complement existing operations, in particular the NUSAF 3 social protection programme (World Bank, 2020).

Uganda secured USD 491.5 million in emergency financing in May from the International Monetary Fund (IMF)'s Rapid Credit Facility; 70 percent of these funds are devoted to boosting international reserves and preserving macroeconomic stability and the rest to supporting health spending and the vulnerable population (IMF, 2020).

The United Nations launched an appeal in April for USD 360 million to support the government in addressing immediate and long-term effects of COVID-19 in Uganda. So far, this appeal is yet to be approved by donors before it becomes operational under the UNCT in Uganda.

## IMMEDIATE EFFECTS OF THE CRISIS ON MOST VULNERABLE PEOPLE AND THE AGRIFOOD SYSTEM

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### What are the immediate effects of the crisis and the different sets of measures on agrifood systems?

#### Agricultural production and productivity

As noted previously, overall crop production by subsistence farmers has not been severely impacted by the crisis.<sup>9</sup> Rural households continue to largely rely on local markets and on food they produce themselves. Nevertheless, lockdown measures have had some adverse effects on agriculture. For example, the farm input supply system has been affected by the travel restrictions imposed on farmers and input dealers, who mostly rely on public transport. This is particularly true in the livestock and fisheries sectors. The COVID-19-driven volatility of the foreign exchange markets caused the depreciation of the Ugandan shilling against the USD, with a large fall in

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<sup>8</sup> Under its 'Economic Crisis and Recovery Development Policy Financing' scheme.

<sup>9</sup> This refers only to crops; fisheries and livestock production have been affected by COVID-19.

March.<sup>10</sup> This increased the cost of imported farm inputs. Commercial farmers and associated downstream agribusinesses, who rely heavily on imported inputs, have witnessed increases in the cost of the equipment and spare parts they need for production and processing. Many are already overly indebted and the depreciation could well challenge the survival of their businesses and will threaten associated employment (Fowler, 2020).

According to key informants, the lockdown may have had a slightly negative effect on food production due to restrictions on the movement of casual labourers from their homes to the farms where they work. While such labour shortages have been noted, they are unlikely to substantially reduce production since family members provide the bulk of farm labour. Labour shortages have also been reported at large commercial plantations due to difficulties in recruiting casual workers because they could not make it to those plantations (Fowler, 2020).

According to the Famine Early Warning Systems Network (FEWS NET),<sup>11</sup> lockdown measures have not significantly affected agricultural production for most subsistence farmers in Uganda (FEWS NET, 2020). In most bimodal rainfall pattern areas (e.g. the Central Region), the majority of farmers were still planting and weeding their first season crops in late April, while farmers that planted in February (e.g. in the districts of Kyenjojo, Kyegewa, and Mityana) harvested their beans early, providing income to households in those regions. It should be noted that COVID-19 is just one of a number of agricultural hazards; Uganda is also plagued by desert locusts and flooding, especially in the north-eastern part of the country, and the fall armyworm, which is a major threat to maize production. On the other hand, rainfall from March to April was above average, providing favourable conditions for crop and pasture growth (FEWS NET, 2020). The lockdown meant that oil palm farmers have had limited access to inputs, such as seed, fertilizers and plant protection chemicals from input dealers, who are far from where the crop is grown. It is thus likely that a prolonged lockdown will affect the vegetable oil value chain.

### Fisheries and aquaculture production and productivity

The fisheries subsector contributes to 12 percent of the agricultural gross domestic product of Uganda and supplies 50 percent of all animal protein consumed in the country (FAO, 2019). Prior to the pandemic, the production volume and export value of fish and fish products were on the rise, with production growing by over 24 percent (Nile Perch fish stocks increased by 31 percent), and exports grew by almost 30 percent in the financial year 2018/19 (Walker *et al.*, 2020; MoFPED, 2019). This was largely due to increased security surveillance by Fisheries Protection Force of the Uganda People's Defence Force (UPDF) and law enforcement to limit illegal fishing and the use of unauthorised fishing gear on Lake Victoria, Lake George, Lake Edward, Lake Albert and Lake Kyoga and the River Nile. Local fish consumption and the volume of fish for export have decreased during the crisis because safety guidelines on physical distancing have forced fishermen and other sector players, such as fish processing plants and factories, to scale back their operations. Fish consumption is also decreasing because of increased fish prices and reduced consumer incomes.

Fisheries and aquaculture systems are being affected by the pandemic in four major ways: i) the disruption of output markets: traders from Democratic Republic of the Congo, Kenya and Rwanda can no longer travel to Uganda to purchase fish, and domestic traders who use public transport cannot continue to operate; ii) poor access to landing sites iii) the increased cost of production

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<sup>10</sup> The Uganda shilling has recovered its value against the United States of America dollar. However, this has had little effect on smallholder farmers because they use few external inputs, such as fertilizer and agrochemicals, most of which are sourced abroad.

<sup>11</sup> Created by the United States Agency for International Development in 1985, FEWS NET is a leading provider of early warning and analysis on acute food insecurity around the world.

for fish farmers, who need more feed to maintain their fish throughout the lockdown and may experience difficulties in sourcing inputs, such as feeds and fingerlings (especially the case for small-scale fish farmers); and (iv) severe restrictions on capture fishing in lakes and rivers to prevent the spread of COVID-19 to Uganda from the Democratic Republic of the Congo, Kenya and the United Republic of Tanzania. According to MAAIF, the fishing communities are currently facing a dire situation. These communities were already vulnerable since they face high rates of HIV prevalence rates (between 20 and 30 percent compared to a national average of 6 percent). There is also a likelihood that the pandemic will have a significant long-term effect on women and youth, who depend on the fish value chain as their only source of livelihood.

### Livestock production and productivity

Livestock value chains have been severely affected by the COVID-19 crisis in Uganda. Production costs have risen due to restrictions on the movement of goods and services, which makes it difficult to access inputs, such as feed, pharmaceutical products, breeding materials and replacement stocks (e.g. day-old chicks, vaccines, semen) and veterinary services. These restrictions also limit access to labour – especially problematic for meat and dairy processing industries, which are labour-intensive – and disrupt transhumance thereby crippling the ability of pastoralists to feed their animals. Moreover, physical distancing and the requirement that all employees wear personal protective equipment are reducing the efficiency of industrial feed enterprises.

Compounding these challenges, wholesale and farmgate milk prices have collapsed due to recent Kenyan import restrictions on Ugandan milk.<sup>12</sup> This has hindered the capacity of Ugandan dairy companies to successfully penetrate the East African market. Rwanda closed its borders to trade with Uganda. The United Republic of Tanzania imposed a heavy import duty of UGX 3 200 (USD 0.86) per litre of milk from Uganda in 2017 making milk exports prohibitively expensive. In addition to these existing trade restrictions, the dairy sector in Uganda has scaled down exports of milk due to COVID-19. This has affected Uganda's dairy sector, with financial losses estimated at UGX 378 billion (USD 100 million). Dairy farmers are currently selling milk in Uganda for UGX 300-500 (USD 0.08-0.33) per litre compared to UGX 700-800 (USD 0.18-0.21) in 2019. There is an urgent need to revive these trade partnerships in light of COVID-19 impact for the benefit of all major agricultural commodity value chains in Uganda (Daily Monitor, 2020).

### Food price fluctuations and disruptions of agrifood supply chains

In the early days of the outbreak, urban areas witnessed substantial increases in food demand due to panic buying, hoarding and speculative trading that led to short-term price increases. There was also an atypically high demand from South Sudan, which is one of Uganda's main export markets, especially for cereals, sugar and salt. Between April and June, prices for basic food staple commodities, such as maize, beans and rice, spiked during the initial phases of lockdown and then dropped. In April, the wholesale price of maize was UGX 656 (USD 0.14 cents) per kg in the markets of Kampala compared to UGX 631 (USD 0.17) in April 2019. By June, the price had dropped to UGX 502 (USD 0.11) per kg compared to UGX 670 (USD 0.18) in June 2019.

There were price hikes for perishable fruits and vegetables during the first two weeks of the COVID-19 lockdown – the last week of March and first week of April – when the MoH indicated that vegetables were essential for boosting immunity to the COVID-19 disease. However, as the lockdown persisted, the prices of perishables foods such as eggs, milk, vegetables and fruits declined sharply between April and June. The real prices of perishable foods in April and May

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<sup>12</sup> The restriction on milk exports between Kenya and Uganda began prior to COVID-19 due to non-tariff barriers between the two countries. Kenya complained of fraudulent practices by Uganda in re-exporting milk products imported from abroad.

were much lower than they were in April and May 2017, 2018 and 2019 as a result of a collapse in demand due to shrinking incomes. For example, the price of a tray of 30 eggs decreased from UGX 12 000-15 000 (USD 3.00- 4.00) to UGX 6 000-8 000 (USD 1.60-2.00) in most parts of Kampala during the lockdown. Other highly perishable foods like green bananas (*Matooke*), which are mostly supplied to urban dwellers and restaurants, have seen large drops in demand and prices. The price of a bunch of *Matooke* declined from around UGX 15 000-25 000 (USD 4.00-6.00) to around UGX 6 000-10 000 (USD 1.60 -2.50) in most parts of Kampala between April and June.

Sugar manufacturing companies lost significant revenue due to a drastic fall in sales. The closing of borders meant the loss of export markets in South Sudan, the Democratic Republic of the Congo, Kenya and the United Republic of Tanzania. Manufacturers have found it difficult to pay out growers. For example, sugar production had fallen by roughly 60 percent at the Kakira Sugar Works by March, mostly because large consumers, including schools, hotels, restaurants and caterers for religious and cultural ceremonies, were forced to close down. Many households have also lost disposable income and are not able to purchase sugar for their own consumption. Moreover, sugar companies experienced disruptions in the supply and procurement of raw materials, such as chemicals and fertilizers normally sourced from India, Dubai and Egypt. Unfortunately, there are no local substitutes for those raw materials.

Bars and nightclubs constitute 60 percent of sales by brewing companies. The closing of cultural, religious and sporting events has significantly reduced consumption of brewery products, while lockdown and travel restrictions have severely affected consumer demand. These companies directly employ over 5 000 people and approximately 60 000 people are indirectly employed by sales depots, bars and restaurants. Layoffs have particularly affected people in distribution chains; most of these are low-income earners occupied in loading beer crates and other casual work. Disruptions in procuring raw material – mainly wheat – as well as chemicals and packaging materials have also affected the production capacities of brewing companies.

Due to the lockdown and the closure of schools, restaurants and hotels, there is an excess supply of fresh milk on the market and prices have dropped drastically. Demand has also dropped, as many consumers have reduced their consumption of milk in favour of purchasing necessities like maize. Nevertheless, production capacity has largely stayed the same. The disruption of export markets has led to a further drop in demand and contributed to the reduction in milk prices. While fresh milk is produced locally, preservatives and flavours for yoghurt are imported from abroad. These supply chains have been interrupted because of commercial travel restrictions.

Lockdown measures have also had a negative impact on the operations and viability of agroprocessing SMEs due to disruptions in the supply of raw materials, labour shortages and poor supply of spare equipment, limited access to recovery lending, credit lines, grants and other financial facilities. This is particular true for handling and milling facilities, which are now running at suboptimal capacity. This could affect food safety and quality as well as employment and loan servicing.

### International trade in agricultural commodities and food

The closing of Uganda's borders and international airports has affected the import and export of food, thus affecting the performance of regional and domestic food value chains. The process of clearing trucks crossing the Ugandan and Kenyan borders (at Busia and Malaba) has greatly improved as the screening process for drivers becomes more efficient. The queues are short and clearance is relatively quick despite the fact that the borders operate only half of the day due to night-time curfews in both countries. However, there has also been a decline in traffic at the

border as business operations have generally slowed down, particularly in sectors that are considered non-essential. This may have also contributed to the shorter queues and faster clearing times.

The global demand for sugar, cocoa, cotton and cut flowers has fallen, as have prices (more than 20 percent for sugar, cocoa and cotton) (Fowler, 2020) and the export of these products. The floriculture industry has collapsed and about 10 000 workers have been laid off. It is expected that agricultural exports will fall further if transit routes continue to be dysfunctional or blocked by Kenya and the United Republic of Tanzania in case the pandemic situation worsens. Blocking of trade routes will also result in input shortages that will impact productivity (fertilizer shortage for sugarcane estates, feed for dairy, poultry and pigs, etc.).

A considerable amount of agricultural finance – and most of the financing provided to smallholders – is delivered through savings and credit cooperative organizations (SACCOs) and banks whose funds are sourced and need to be serviced in foreign currencies. These institutions can expect some deterioration in their non-performing asset portfolios due to the reduced revenue of borrowers during the pandemic. Their credit ratings will be challenged.<sup>13</sup> We should also expect to see a decline in agricultural lending.

### **What have been the effects of the crisis and government measures on livelihoods, food security and malnutrition status, and future prospects?**

The best case scenario estimates that 720 000 people in Uganda will be pushed into poverty as a result of the COVID-19 crisis, while the worst case scenario posits that up to 2.6 million people will enter poverty (MoFPED, 2020).

According to interviews with urban food market traders and expert informants, the COVID-19 pandemic has significantly reduced household purchasing power, impacting food consumption and nutrition. The household incomes of people in the informal sector have been deeply affected, especially the self-employed, who have uncertain income sources and no formal social insurance. This is compounded by the fact that all school-aged children and unemployed young people remain at home, meaning more mouths to feed on less income. As a result, poor households, whose breadwinners are mostly employed in the informal sector, are reducing the number of meals they consume from three to one or at most two per day (Pr. Barnabas Kiiza, personal communication, August 2020).

According to FEWS NET (2020), the food produced by farmers in bimodal rainfall pattern areas is expected to meet their minimum requirements as set by the Integrated Food Security Phase Classification (IPC)<sup>14</sup> for severity phase 1 ('minimal/none') of acute food insecurity, despite some disruptions in income. Poor households in the Teso, Bugisu, Bukedi, and Elgon sub-regions in the east, and parts of Bundibugyo, Ntoroko, and Kasese districts in the west were badly impacted by flooding and landslides from October to December 2019. These areas lost crops, livestock, and assets and depend heavily on the markets for food. A combination of reduced income during the previous season and COVID-19 measures have led to high staple prices that are constraining

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<sup>13</sup> Due to the devaluation, this will particularly be the case for companies whose liabilities are in foreign currencies.

<sup>14</sup> The IPC is a multi-partner initiative that provides decision-makers with a rigorous analysis of food insecurity and acute malnutrition situations to inform emergency responses as well as medium- and long-term policy and programming. Using the IPC classification and analytical approach, stakeholders, work together to determine the severity of acute and chronic food insecurity, and acute malnutrition situations in a country, according to internationally-recognized scientific standards.

access to food as well as limiting the ability of farmers to purchase planting material. These households are in IPC phase 2 ('stressed').

### Which groups are most likely to be severely impacted by the COVID-19 pandemic and the associated measures?

*Please note that this is not an exhaustive list.*

Families in both urban and rural settings are falling into poverty due to limited income and food stocks. The loss of school meals due to the lockdown has placed an additional burden on poor families. Particularly vulnerable groups include refugees, the elderly, children below five years of age, women of reproductive age, casual labourers and informal sector workers (which constitutes 70 percent of the economy).

The COVID-19 crisis has increased hunger and malnutrition among the urban poor, who tend to live from hand- to-mouth. Some people have resorted to asking for food handouts from relatives, friends and the government; others have resorted to selling off non-essential property like household durables.

The COVID-19 containment measures have severely affected the already insufficient incomes of unemployed and substantially underemployed urban youth, threatening their livelihoods and food security. People who must travel to urban areas to earn a living have been deeply affected since restrictions on movement do not allow them to reach their workplaces. These include street children, *boda-boda*<sup>15</sup> drivers, market vendors, bar attendants and maids, employees of microscale restaurants, sex workers, people with disabilities, people with mental health issues, urban elderly widows and orphans, fishing communities on the Ugandan water bodies and the rural poor, especially landless people who rely on remittances from urban relatives in Kampala. Remittances are projected to fall to 2.8 percent of GDP in FY20 from 3.6 percent in FY19, affecting private consumption (household, education, and health) and construction activities. The pandemic mostly affects net food buyers, who buy more than they sell. With the easing of the lockdown in July, most of these groups resumed their activities.

In rural areas, the poorest people are losing their income sources and exhausting their already limited reserves of food. Uganda has a large refugee population of 1.4 million, many of whom live in 33 settlements across 12 districts. Eighty percent already live below the international poverty line of 1.90 USD per capita per day and they have been badly hit by the crisis, aggravating food insecurity, since the World Food Programme (WFP) has reduced food aid rations by 30 percent since in March. COVID-19 also disproportionately affects women. As consequence, many people have adopted harmful coping mechanisms, including reduced food consumption, the sale of livelihood assets and transactional sex. Gender-based violence has also increased during the COVID-19 crisis.

### FOOD FOR REFLECTION: LONG-TERM POLICY IMPLICATIONS

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Uganda relies heavily on domestic food production: more than 80 percent of foods consumed in the country are locally-produced.<sup>16</sup> The food system is extremely resilient because it is based on highly diversified food and cash crop farming systems, which can cope with uncertainties. The export of commodities (e.g. coffee, cacao, tea, fish, milk) and imported inputs (fertilizers for

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<sup>15</sup> *Boda-bodas* are motorcycle and bicycle taxis, which are commonly found in East Africa.

<sup>16</sup> Uganda is a net exporter of rice, wheat and cooking oil.

commercial plantations, animal feed, veterinary supplies) have been seriously affected by the COVID-19 containment measures, especially the disruption of commercial flights and limitations in road transport. The long-term effects of COVID-19 on the food system and food security in Uganda have yet to be determined.

### Support for trade

To facilitate international trade flows, Uganda must reduce trade-related costs, in particular by avoiding measures that restrict the mobility of commodities. Avoiding trade restrictions to facilitate food and feed supplies is of paramount importance in the context of COVID-19 and other future health emergencies. Uganda must also resolve logistical challenges, including food storage capacity, an inadequate transport system, limited cold chain capacity, and weak food safety and quality assurance systems. The country must also review trade and policy options and their likely impact on food access and consumption; rethink of role of strategic food reserves; create and manage food and seed banks; and reduce import taxes on food and agricultural inputs.

### Support for agribusiness

Ensuring the long-term stability of food production and supply will require Uganda to create conducive conditions for agribusinesses, including i) reducing import duty on raw materials; ii) reducing interest rates to allow loan repayment, especially by agricultural SME; iii) providing stimulus package to agroindustries to facilitate paying employees and the purchase of raw material; and iv) harmonizing laws and regulations governing agribusinesses to facilitate trade and fair competition. Linking farmers and SME to markets through contract farming and commodity platforms are additional ways to help agribusinesses.

### Support for livelihoods

Uganda must facilitate the distribution of agricultural inputs and the provision of animal health support services to ensure continuous food production and income generation in vulnerable areas, especially in zones prone to drought, desert locusts and flooding. Programmes are needed that support livelihoods diversification and home-based food production; these might include initiatives to reduce postharvest losses with improved storage capacities, small-scale processing and the preservation of fruits, vegetables, milk, and fish. The government also needs to support food production in refugee settlements and host communities in order to improve access to food and healthy diets for particularly vulnerable people.

### Support for food systems

A health crisis can quite easily evolve into a food crisis. To avoid that happening in Uganda, it is important that the government give priority to: i) promoting a multi-sectoral approach in health planning and service delivery to ensure effective control of diseases and food safety issues; ii) addressing food and nutrition security and sustainable agriculture (FNSSA) issues in an integrated way to ensure the continuity and stability of supply chains; iii) keeping food systems and markets functioning efficiently to enable food and other agricultural exports to flow. This means keeping ports, roads and rail transit routes open. To this end, the East African trade rules and the free flow of goods and people must be respected and reinvigorated.

### Improved quantitative data analysis

A preliminary analysis of the socio-economic impacts of COVID-19 on agriculture, food security and nutrition shows that the government and other stakeholders – (including the Food and Agriculture Organization of the United Nations (FAO) – need to adopt rigorous statistical methods to assess the impacts of COVID-19 on food insecurity. There is a need to routinely collect and

analyse COVID-19-related quantitative information to feed into IPC processes and monitor the food security situation in Uganda. Data collection can be improved by building capacity and partnerships to assess the challenges faced by farmers, supply chain operators and vulnerable populations in order to inform policy decisions.

## INFORMATION AND GOVERNANCE

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The Government of Uganda has established a national incident management structure under the Office of the Prime Minister (OPM) to provide a coordinated response to the COVID-19 crisis. While the central government has demonstrated its capacity to lead the fight against the pandemic, local governments have demonstrated limited capacity to effectively respond to the COVID-19 outbreak; this prompted the central government to take on most of the responsibility for managing the spread of the disease and providing key services. There are growing concerns that the centralization of most activities related to the management of COVID-19 may limit future capacity development efforts at the local government level.<sup>17</sup>

A number of structural weaknesses intensify the impact of crises such as COVID-19 on Uganda and these need to be addressed with urgency. The government must review and strengthen the current biosafety control and food quality assurance systems; reconsider the role of strategic food reserves in food security planning and thinking; address the gaps in legal and regulatory frameworks related to FNSSA; integrate the fragmented food and nutrition early warning systems; and strengthen the existing food and nutrition security information system.

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<sup>17</sup> Several services (agriculture production, health, education, water and environmental preservation) fall within the mandate of local governments under both the Constitution and the Local Government Act of 1997.

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