



# COVID-19 and territorial markets: Evidence from the United Republic of Tanzania

## THE ISSUE

The COVID-19 pandemic has forced governments around the world to implement restrictions on travel and transport. These restrictions may severely affect supplies and sales on local food markets, as the transport of foods may be blocked and sellers and buyers may not be able to reach the market to conduct transactions. In addition, the global economic slowdown caused by the pandemic has resulted in the loss of jobs and income, and thus in a reduction in consumers' purchasing power.

When the United Republic of Tanzania faced its first case of COVID-19 in mid-March 2020, the Tanzanian Government took immediate steps to curb the spread of the pandemic. The preventive measures taken included the closure of schools and universities and issuance of sanitary regulations for citizens. In addition, the Government closed all international borders and suspended international travel in early April. However, unlike in neighbouring Uganda and Kenya, the measures taken in The United Republic of Tanzania did not target economic activities, and no universal lockdown was declared (World Food Programme, 2020). This made the Tanzanian approach unique compared to that adopted in neighbouring countries. By mid-May, the Government began relaxing restrictions, for example by lifting quarantine requirements for international arrivals.

Although economic activity was not officially interrupted, closure of borders, suspension of international travels and closure of schools and universities, led to a reduction of food demand (United Nations Development Programme, 2020). Declining demand for perishable products, also affected the availability of healthy and nutritious food on territorial markets. As many perishable products were not collected from the producers and offered on the market anymore, this had the potential to put in motion a vicious loop of reduced supply and reduced demand that would magnify the negative impacts of the pandemic on food security and diet quality for the vast majority of the country's low- and middle-income population.

Against this background, supporting territorial markets may be a viable strategy to break the vicious loop and put a halt to the snowball effects caused by the COVID-19 pandemic. Indeed, territorial markets are at the core of local food systems; supporting these markets has the potential to produce beneficial effects in terms of both food production and consumption by improving the availability of and access to healthy and nutritious food. However, the planning of sustainable interventions to support territorial markets requires the understanding of the functioning of these markets. The Food and Agriculture Organization of the United Nations (FAO), together with producer organizations, non-governmental organizations (Réseau des

### Why a focus on territorial market?

Smallholder farmers produce the bulk of all food consumed worldwide, and are responsible for most of the investments made in agriculture globally. Moreover, the vast majority of food transactions occur in domestic (local and national) markets (Committee on World Food Security [CFS], 2016; Food and Agriculture Organization of the United Nations [FAO], 2017). Thus, markets that are embedded in territorial food systems are crucial to ensure smallholders' access to markets and sustain their livelihoods; they are also important for food security and nutrition in the territories in which they are embedded (FAO, 2015). For a definition of territorial markets, see [www.fao.org/fileadmin/templates/cfs/Docs1516/cfs43/CSM\\_Connecting\\_Smallholder\\_to\\_Markets\\_EN.pdf](http://www.fao.org/fileadmin/templates/cfs/Docs1516/cfs43/CSM_Connecting_Smallholder_to_Markets_EN.pdf).

Organisations Paysannes et de Producteurs de l’Afrique de l’Ouest [ROPPA], La Via Campesina and Terra Nuova) and research institutes (Wageningen University, the French National Research Institute for Agriculture [INRA] and the Institute for Research and the Promotion of Alternatives in Development [IRPAD]), has developed a methodology to map territorial markets (FAO, forthcoming). The methodology is in line with the recommendations formulated by the Committee on World Food Security (CFS) in its publication entitled *Connecting small-scale producers to markets* (2016). These guidelines highlight the importance of markets connected to local, national and regional food systems as the markets that are most beneficial to small-scale producers and have the greatest impact in terms of food security and rural economic development.

FIGURE 1 | Geo-localization of the 13 territorial markets mapped in the United Republic of Tanzania



Source: adapted from Map No. 3667 Rev. 6, Department of Peacekeeping Operations Cartographic Section, United Nations.

The methodology to map territorial markets was piloted in 13 territorial markets in The United Republic of Tanzania (see Figure 1), all of which operate seven days a week. Since data were collected during the COVID-19 pandemic, a specific section was added to the methodology to collect information on the impact of the COVID-19 pandemic on these markets.

### Impacts of COVID-19 on 13 territorial markets in the United Republic of Tanzania

The data collection process started with a preliminary classification of food retailers active on the 13 markets based on three variables: sex, age group and category of products sold. Out of a total of 8 371 retailers, a representative sample of 379 food retailers was chosen; interviews with these retailers were conducted between mid-July and mid-August 2020.

For the period July-August 2020, the interviewed retailers reported an average reduction of 67 percent in the volume of sales and an average reduction of 70 percent in the number of clients compared to the situation before COVID-19 pandemic. As reported by retailers, this reduction was due to three factors:

- the slowdown in tourism (which is concentrated in very specific areas, including Zanzibar and the Kilimanjaro and Arusha Regions), and consequently the drop of the demand from the hospitality sector;
- the drop down of trans-border food exchange due to closure of borders and disruption of international transport systems;
- the shrinking of food purchase from public institutions due to the closure of schools and universities, as well as public institutions offices (which also purchase food on territorial markets).

As also reported by retailers, the drop in demand negatively affected the supply of fresh and perishable food since traders were not collecting it due to the risk of not being able to sell and, consequently, to lose the food in a situation where availability of cold chain infrastructures is limited. This is one of the reasons explaining the loss of working days of retailers.

The drop in demand and the measures taken locally to mitigate the spread of the pandemic (e.g. the limitations imposed on the time spent by retailers and farmers on markets to avoid large gatherings) resulted in an average loss of 5.4 working days per month for food retailers operating on territorial markets. On average, male retailers lost 5.9 working days, while female retailers lost 5.1 working days. However, the difference is not statistically significant.

FIGURE 2 | Distribution of retailers by number of working days lost due to COVID-19



Source: author's elaboration of collected data.

Figure 2 illustrates the distribution of retailers according to the number of working days lost due to the COVID-19 pandemic on a monthly basis. It shows that 64 percent of food retailers did not lose a single working day; 22 percent lost between 1 and 15 days and 14 percent lost more than 15 days.

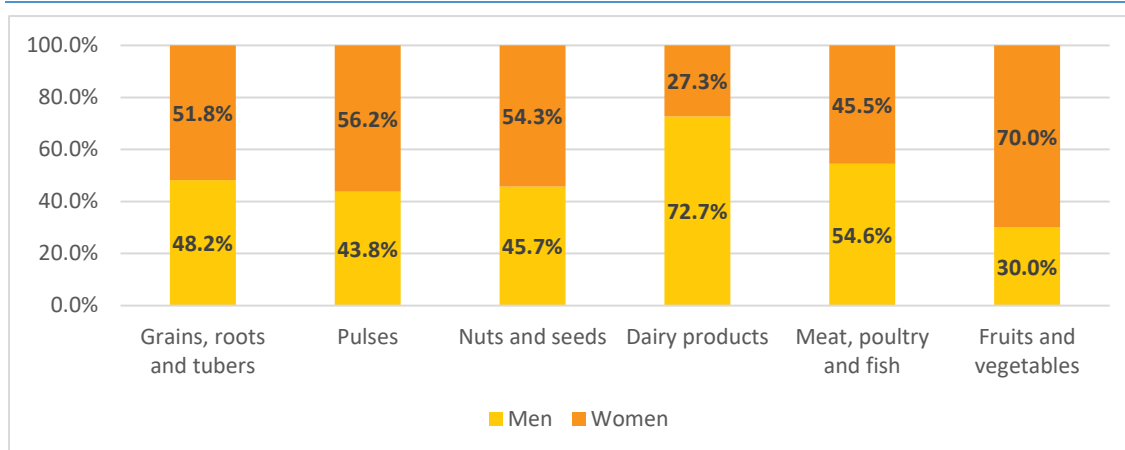
Figure 3 presents the distribution of retailers according to the number of working days lost due to the pandemic by sex. The figure shows that the share of retailers who did not lose a single working day in the overall number of retailers is larger for men than for women; the same applies to the category of those who lost more than 15 days. Meanwhile, women are relatively more represented in the category of retailers who lost 1 to 15 days. However, there does not seem to be a causal relationship between retailers' sex and the number of lost working days. Rather, the different distribution of men and women in terms of lost working days seems to stem from the differences in the categories of products that they sell (see Figure 4).

**FIGURE 3 | Distribution of retailers by number of working days lost due to COVID-19 and disaggregated by sex**



Source: author's elaboration of collected data.

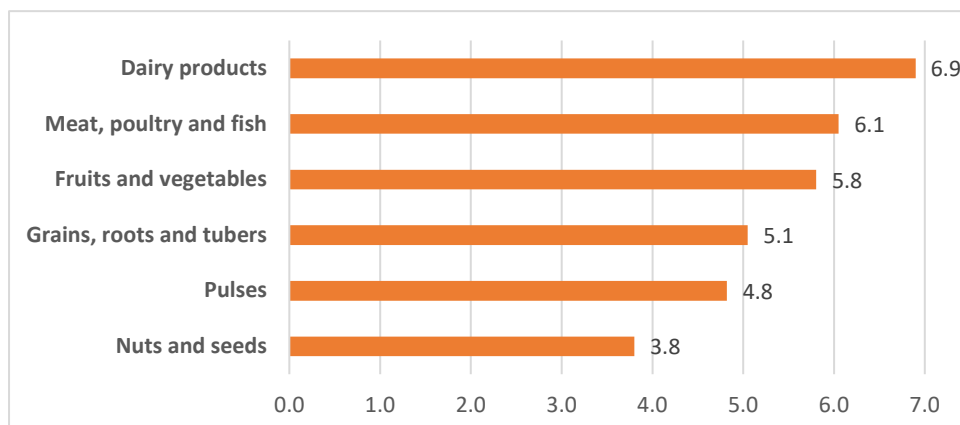
**FIGURE 4 | Share of male and female retailers per product category**



Source: author's elaboration of collected data.

Retailers selling dairy products, meat, poultry and fish and fruits and vegetables (including both dark green leafy vegetables and other vegetables) were those that lost most working days over a one-month period (see Figure 5).

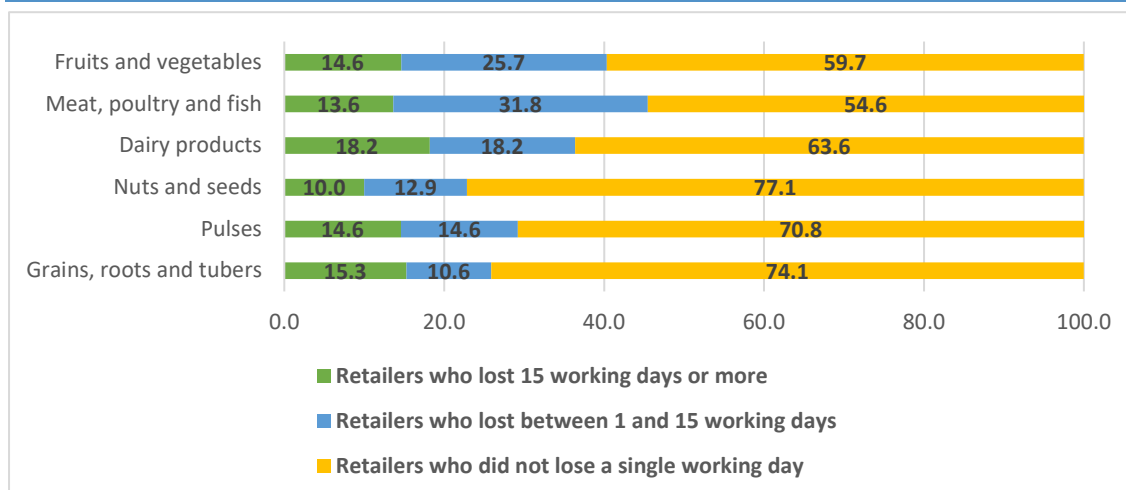
FIGURE 5 | Average working days lost because of COVID-19 per product category



Source: author’s elaboration of collected data.

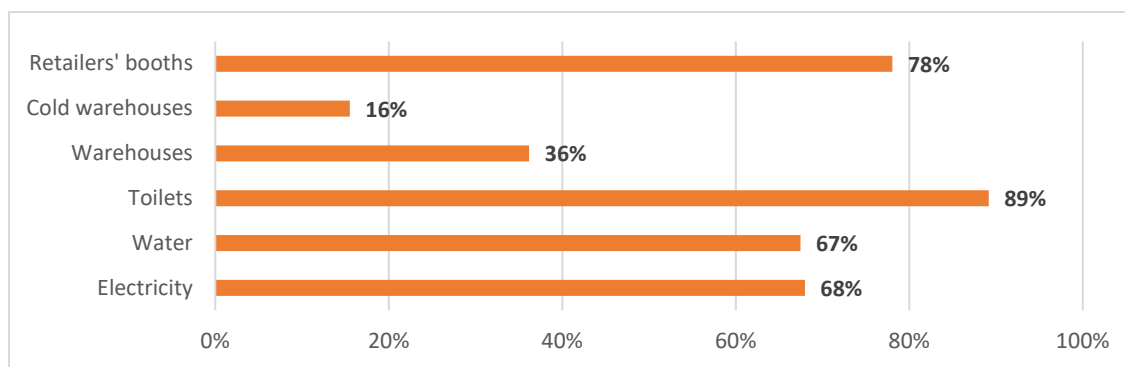
Although all food retailers (and all food supply chains) were affected by the COVID-19 pandemic, those selling dairy products, meat, poultry and fish and fruit and vegetables were more affected than others (see Figure 6). This is likely to be due to the perishability of these products. Indeed, while cereals or pulses can be stored relatively easily, this is not the case for fresh fruits and vegetables or meat, poultry and fish. Cold warehouses are needed to preserve perishable products; however, such warehouses are only available in 16 percent of all territorial markets (see Figure 7). The combination of the reduction in demand, the resulting inability of retailers to sell all their products and the limited capacity to preserve perishable products made supply chains of perishable products more vulnerable to the effects of the COVID-19 pandemic.

FIGURE 6 | Distribution of retailers by number of working days lost due to COVID-19 and disaggregated by category of products sold



Source: author’s elaboration of collected data.

FIGURE 7 | Percentage of retailers reporting to have access to different market infrastructures



Source: author's elaboration of collected data.

### STRATEGIES TO MAKE TERRITORIAL MARKETS MORE RESILIENT TO FUTURE SHOCKS

Territorial markets are crucial to ensure the availability of and access to healthy food at the local level. Even though the Government of The United Republic of Tanzania adopted less stringent measures to mitigate the effect of the COVID-19 pandemic than the governments of other countries, the data collected for this study show that territorial markets were far from resilient to the COVID-19 shock due to their limited infrastructure. In addition, this study shows that shocks such as the one caused by COVID-19 have a greater impact on perishable products (fruits and vegetables and animal products) as they require adequate (cold) storage infrastructure. These products are essential to the quality of human diets.

To ensure the availability of and access to nutritious food and, ultimately, to preserve the nutritional status of the population, the following measures are recommended:

- Systematically monitor evolutions on territorial markets to ensure that operations in these markets are smooth, food supply chains function well and local food security is safeguarded.
- Develop investment plans to improve territorial markets' infrastructure, with a particular focus on cold warehouses, which are needed to preserve perishable products.
- Strengthen the capacities of agri-food small and medium enterprises to prolong the shelf life of fruits and vegetables through minimum processing techniques, good handling practices and the use of simple but effective postharvest technology and infrastructure (improved in-field packaging and containers, energy-efficient cold storage).

### REFERENCES

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This brief was developed by Marcello Vicovaro and Florence Tartanac, Food and Nutrition Division (ESN), FAO, with contributions from Livia Celardo, Bin Liu and Ana Puhac (ESN), as well as from Andrea Zimmermann, Trade and Markets Division (EST), FAO.

For further information about the FAO initiative to map territorial markets, please contact: [MLVC@fao.org](mailto:MLVC@fao.org)



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