



FOOD SECURITY SITUATION REPORT

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Key responses and recovery measures to the impact of COVID-19 on food security and the economic sector in Papua New Guinea

1. Food Distributions
2. Seeds and planting material production
3. Market restructure and redevelopment
4. E-agriculture intervention
5. Town beatification program
6. Price regulation control
7. Freight subsidy scheme
8. Economic Stimulus package

Country Context and current situation: Papua New Guinea’s current population is estimated at over 8.947 million people, 81% of which live in rural communities that are hard to reach. It is administratively divided into 20 provinces and 86 districts. The country geographically shares a 720-km land border with Indonesia on the west and sea borders with Australia on the south and Solomon Islands on the southeast through which traditional border crossers travel daily. With the declaration of the first coronavirus (COVID-19) case in PNG on 20 March, the government declared the state of emergency (SOE) and put in place regulations. However, the lockdown period has lapsed for some provinces and the new normal has kicked in with adherence to maintain social distancing regulations throughout the country. There are no new cases of coronavirus in PNG for the month of May hence the total remains at 8 cases of coronavirus infected persons found. However, these 8 coronavirus cases have all recovered with not deaths at this time.

Urban fresh food main markets: At the main market or designated areas for sales of fresh produce, there are preventative measures in place to ensure market vendors practice social-distancing and basic health and hygiene. Unfortunately, it was evident that the vendors were not applying these measures and there is limited reinforcement by local authorities. As observed and according to vendors, it is not feasible to apply the COVID 19 preventative measures due to an influx of local farmers/ producers traveling in to sell their produce as there is limited market space. Hence, they have to secure any space available within the market to sell their produce even if the market authority force them to leave. This was obvious in Lae and Goroka. There is enough local food supply but difficult to estimate the quantity and quality of food supply coming in and out of the town markets. It is evident that there is need to redevelop the main market in Lae and set up additional suburban markets. The same observation for Goroka. The main market in Goroka remains closed and women are still selling at an overcrowded temporary area. The opening of the new Goroka market remains a working progress for the Eastern Highlands Provincial Government.

Urban fresh food road side markets: The smaller road side markets are increasingly popping up to ease over-crowding. From the consumer point of view, especially the women folk, accessing roadside markets has been more convenient and safe when procuring local produce (e.g. vegetables, fruits, etc.) to feed their household. However, reports of price hiking at these road-side markets is an issue because of demand and lack of variety of fresh food. Those who sell say they have made losses in the last two months .For example, a 60 kg of sweet potato would normally be sold for K150 in 2 days. A women seller said she has to sell for 4 days to complete the sales of her produce. This is because the peak hours for selling and buying is usually between 4-6pm

Impact of COVID-19 on urban population: There is evidence of price hikes on basic food items. A women in



an urban settlement area in Lae stated that the fluctuation of price differs both by quantity and quality of food crop, and as a result has forced her to resort to stockpiling rice for household consumption. However, she also noted that the price of rice has increased since May compared to the month of April. For instance, a bag of 10kg roots rice was K32 and now has gone up to K35. The increment imposed by the retailer was to accommodate the new stock supply of rice for the month of May. Prices of the essential items such as rice and sugar were hiked. However, it was good to note that the Independent Consumer and Competition Commission (ICCC) charged the Papindo group of Companies of K10, 000 for breaching National Emergency Order No. 19 on price regulation. It was also encouraging to note that ICCC continues to monitor the price of basic goods and food items.

Impact on food supply chain and food processing:

Following the announcement of the Fresh Produce and Vegetables Freight Subsidy Service on 8 May, 2020, all fresh produce and vegetables will be shipped free of freight charges from Lae Port, Morobe province to Port Moresby, National Capital District. This will be a bonus for farmers but with this comes a price. Stakeholders in Lae including the provincial government sees this as an opportunity put forward by the government, however, there needs to be details on the coordination and sustainability of this in order to maintain this program at post-COVID-19. The organizing of farmers at each end of the shipping is required. In addition, the process needs to be aligned with the government system and that it addresses the smallholder needs. For accountability, there needs to be a consistent traceability system put in place to monitor the financing and payment of farmers and movement of produce from point A to B.



Logistics and trade restrictions: With the gradual ease on movement of farmers along the main highway, they are now able to take their produce to the main market centres. For other producers who rely on domestic air transportation, are still experiencing difficulty due to measures in place under the COVID-19 restrictions. Fresh produce growers and floriculturist are losing business as the airline companies have cut-down on domestic flights due to government regulations. Fresh food and flowers perish at the airports as they are not prioritize when flights get cancelled. In border provinces, there is still a ban on trading between PNG and Indonesia. In Wutung, Sandaun Province, vanilla and cocoa farmers are feeling the pinch of not being able to find a market for their cash crop and have resorted to trying to cross the border illegally to at least generate income to sustain their livelihood. As a result, these farmers have requested for their respective provincial governments to provide food aid. In the last month (April-May) the Sandaun Provincial Government and other private sectors in the province have supported by providing the basic food items such as rice, tinned fish, oil, salt, etc., for communities around the border. According to the Sandaun Provincial Government, crossing the border to trade by farmers remain and it is uncertain as to when it will be lifted.

Impact on the agribusiness sector

COVID 19's impact on business is severe although it needs to be fully assessed and quantified. Apart from retail supermarkets with spike in sales over the lockdown period, the chambers of commerce in both Port Moresby and Lae estimated a 30% drop in sales generally. Due to travel restrictions, the hospitality and tourism industry continues to have limited business with hotels and restaurants being closed indefinitely. Micro Small to Medium enterprise do not have capital to ride out the storm. Those who have kept their doors open have also had to increase operational costs on transportation and other entailing costs to meet requirements of social distancing and sanitizing. The loss of jobs adds to the pool of unemployment as well as those who have lost their livelihoods through informal market restriction.



The number of people who are unable to provide adequate food for themselves and their families has increased. It has been estimated in Lae that unemployment has increased 30%. The Government has announced a massive stimulus package of K200 million under the COVID 19 response to support the MSME space. The mechanism to access this stimulus package, however, has not yet been fully defined, making it difficult to estimate its impact when it is finally implemented. Businesses are opening up cautiously and working out business arrangements under a new normal. Small and Medium enterprises in the transport and tourism sectors have borne the full brunt of the effects of the restrictions, with one commercial bank reported assisting over 5000 customers with deferred loan repayment options. Anecdotal evidence suggests that applicants waiting to access super funds savings have increased. This minutely demonstrates the kind of hardships experienced in the different sectors of the economy.

Social monitoring and protection: Most groups of people who rely on heavily on the informal economy for their livelihood are still feeling the pinch of the COVID 19 restrictions on movement and the inability of sales of non-food items. Unregulated and unlicensed vendors remain restricted. With SOE restrictions still in place, they are left to fend for themselves. This group of people in the urban areas in the quarantined provinces are marginalized and will still need assistance.

Lessons learnt from the lock down: For the majority of the urban population that rely on the informal sector, the biggest disruption in the country had been identified as the closure of street sales and the closure of the main fresh produce and food markets during the lock down period, which is still the case in Kokopo, Buka, Kiunga and other parts of the country. In the earlier days of the lock down, proper (or not enough) communication and awareness on charges/fees on transportation fines was done effectively and as a result, unwarranted high fees were imposed on the public. One of the biggest lesson learnt from this was the clear alignment of permit from the Controller's Office to those doing the road blocks at the checkpoints. In Lae and other parts of the country,

people are slowly adjusting to the new normal. PMV buses are still charging K2 per person per route (K1 above the normal fare) and 50t above the new normal fare or K1.50. Students are also charged K2 which is too much for a poor family in urban cities like Port Moresby and Lae. PMV owners are saying we are only abiding by the rules of the government or we won't be allowed to operate so the public passengers have no choice but to comply.

SOCIAL PROTECTION MEASURES

Food Distributions: Efforts in the food security and agriculture continue in response to the impacts of COVID-19 on food security, agriculture and livelihoods. The **NCD Food Bank** continue food distributions to the most marginalized groups in NCD ensuring that it reaches its target of 6,000 people. In addition, they received a donation from Trukai worth of 10, 000kg of rice for food distribution. The group worked through the Catholic sisters and delivered food to marginalized families in the Kaugere and Sabama settlements in the National Capital District. Similarly **food items were delivered** and distributed to a total of 8801 beneficiaries (4545 male and 4256 female) in the **Treaty villages** in the Western province. In Lae, Morobe province, the **Food Security Sector working group** progressed on their plans embarking on the market redevelopment, cash for work program, seed distribution and multiplication of certain food crops in response to the impact of COVID-19 on food security. The seeds and multiplication sub group have initiated the first lot of seeds and planting materials at Erap on a 20 hectare land that was ploughed by machineries with support from Trukai Industries and the Taiwan group who are also farming and supporting the government in the area. The **Friends of the Lae Botanical Garden** who are part of the Food Security Working Group aim to increase livelihoods opportunities for the unfortunate women in Lae. The group will be engaging in the beautification of two roundabouts in Lae city. The **Adventist Disaster Relief Agency** through the **Church partnership program (CPP)**, supply seeds and planting material in the Bosavi area in the Southern Highlands province.

The **E-didiman Fresh Program** continued distributing up to 740 vegetable packs and special orders to hotels, businesses and NGOs in Buka. The vegetable packs are



produced by farmers around Bougainville with majority from North Bougainville area. E-didiman has registered and expanded its database with 50 farmers from East New Britain, 30 farmers from East Sepik, 56 from Eastern Highlands and 30 from Simbu. This week it ships its first shipment to clients in Port Moresby.

Adjusting to the new normal: While the state of emergency response continues with the government's focus on health practitioners and the immediate needs such as capacity in hospitals, testing and surveillance, provision of PPE and border protection, other prevention measures such as public health messaging, social distancing and other controls to support the overall aim of reducing of the spread virus has also gained momentum. This includes the need to stimulate the economy through recovery which is essential, as the economic effects of the response has had huge impact on the livelihoods of people. Strong public action is required in supporting the business sector to keep moving, to boost demand, and provide jobs and stimulus to the economy. As the government rightly stated, replacement income must be considered through re-engineering activity, and facilitating new investments. The government is calling on various stakeholders to support the transition to the new normal strive to achieve a stronger state of economic activity that is more sustainable for the short, medium and long term in collaboration with business, employers and representative groups. Apparently, this "new normal" will not be just a return to the "before." According to the government, opportunity exists for PNG to not treat this as just another disease, but to act to make PNG stronger, and provide for the communities that are most vulnerable to the current and future.

EMERGING BIOSECURITY ISSUES

African swine fever: African swine fever is a highly contagious disease affecting the pig population globally and has been identified in PNG spreading and throughout Southern Highlands, Enga and Hela Province and now into Western Highlands. NAQIA completed the second delimiting surveillance on 22 May and are currently planning for the way forward in containing and controlling the spread of ASF. The NAQIA surveillance team are establishing Local Disease Centers (LDCC) and Checkpoints as mitigation response in controlling and containing ASF. The surveillance report revealing the extent and specifics of the spread of this animal disease will be disseminated later this month. On a positive note, it was also observed that pigs are now controlled in towns such as Goroka.

Fall armyworm: The insect pest Fall armyworm is also an emerging threat that has entered PNG. Though surveillance and monitoring has started in Western Province, fortunately for provinces like Morobe and EHP, there is no evidence of presence and/ or impact of the pest on crops such as corn, rice, sorghum and cereal. In PNG, there are similar infestations of the caterpillar cluster and of this Spodoptera family. The other two species of this caterpillar family are the Spodoptera litura and Spodoptera exempta and are all now in PNG. For more information on the potential impact of FAW in PNG, follow the link [here](#) of the piece titled "Fall armyworm in Papua New Guinea: how big is the risk?" A blog written by members of the PNG Food Security Cluster, authors, Dr Mike Bourke and Dr Sim Sar.

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