

TAX TALK 35: UNDERSTANDING THE EFFECTS OF THE COVID 19 PANDEMIC ON FOOD SECURITY IN KENYA AND GLOBALLY

EXECUTIVE SUMMARY

This webinar aimed to bring to light the impact the COVID-19 pandemic has to food security in the world at large, but particularly in Kenya. The big question is whether Kenya and the world will be able to survive this pandemic and the measures likely to be put in place such as a lockdown which will affect importation and exportation of food. Will countries be able to sustain their populations with closed borders for the duration of time it will take for this pandemic to end?

Before the pandemic, food security was already on the rise due to other factors such as livestock pests and diseases, with the East African Community in particular, facing a problem of locust infestation. The locusts were moving in large swarms and causing havoc to many farms as they were destroying crops. It is important to note that even with the pandemic going on, they continue to breed and are multiplying, therefore the problem is becoming exacerbated.

COVID-19 has worsened this already existing problem since it there now has to be containment measures to ensure social distancing, to ensure that the disease does not spread. Measures such as closing borders and the curfew have directly affected food security since it has now become difficult to import certain foods and to move food across counties.

Small scale farmers are the most disadvantaged seeing as they are likely not to have documentation which allows them to operate as essential service providers, therefore produce ends up spoiling as they cannot transport it and have no reliable storage facilities. It is important to note that small scale farmers are crucial in ensuring the country can be sustained food-wise. Large scale farmers are also disadvantaged, but to a lesser degree as it is easier for them to get support from the government.

All five speakers spoke on different matters to do with food security and all took a solution-based approach, which was informative as well as encouraging as it showed that we will be possible to survive this epidemic so long as the right steps are taken.

INTRODUCTION

The moderator, Prof. Justus M. Munyoki who is a professor of marketing at the University of Nairobi, welcomed everyone to the second webinar organised and hosted by the Committee on Fiscal Studies. The meeting began at 10 a.m. as scheduled with all speakers joining online before the set time. Prof. Munyoki then introduced the speakers of the day and they were:

Prof. Sheila Okoth – Mycotoxicologist and Lecturer at UoN

Prof. George Chemingingwa – Agricultural Scientist and Dean, Faculty of Agriculture UoN

Dr. David Jakinda – Agricultural Economist and Lecturer at UoN

Mr. Mairura Omwenga – Civil and structural engineer, Town planner and Lecturer at UoN

Ms. Michelle Njeri – Researcher CFS and Law student UoN

The meeting was attended by over 90 participants, who were listening and sending feedback and questions through the chatbox as well as on the CFS Twitter account.

THE PROBABLE EFFECT OF COVID-19 AND MITIGATION OF THESE IMPACTS AT THE HOME LEVEL

Prof. Sheila Okoth was the first speaker to present and she began by defining food security, as the availability of adequate, nourishing, balanced and safe food, at all times. For us to say that there is food security, the food must have the four components mentioned above. Therefore, it is not just about there being enough food to feed a whole nation, but that food must be safe to consume and must be nourishing to the population.

Restriction of movement has greatly affected food security, with low-income households being more disadvantaged since they do not have the capacity high-income households have to buy food in bulk, or to buy ultra-processed foods that have long shelf-lives and to store the food appropriately.

This first problem can be mitigated by the government regularly supplying food to low-income households, as is being done in Mombasa County. The Government should also work with major retailers to ensure that food is still available in the markets and other retail points

so that people can buy. The government can also come up with ways to ensure that the self-employed are supported seeing as most will no longer have a source of income.

Secondly, with most companies wanting to continue making profits during this time, food prices will increase, and this will cause markets to run less smoothly since there will be a reduction of investment in food. Consumers will not buy as much food as they would have since there's the uncertainty of income. This will, in turn, lead to loss of revenue for vendors in markets who are the low-income households.

Mitigation would be to provide preferential tax relief when it comes to food products and the food market thus ensuring that prices do not increase, which will protect the market at large with consumers being able to buy food affordably and vendors having some source of income, in turn, being able to also buy food and feed their families.

Thirdly, there is an issue of two extremes where in some regions there is a lack of food, while in others there is wastage of food. This is caused by inaccessibility since food cannot be transported to areas that do not have, yet it is in excess in the areas it is coming from, which eventually leads to wastage. Kenya has a history of aflatoxin accumulation in food and this arises when food is not properly stored, and since the food cannot be consumed in this state, it will have to go to waste.

The mitigating factor would be ensuring that the food safety agencies are very vigilant in inspecting the quality of food and ensuring that proper storage measures are taken. The vehicles which transport food should also be inspected to ensure that they are clean and fumigated before food is put in them. Dr. Okoth also recommended that government vehicles such as army trucks should be the ones transporting food as it will be easier to ensure that those vehicles are properly fumigated, disinfected and can be used for such transportation.

Lastly, the food market and retailing sector should be observed to ensure that there is no extra profiteering or increase in pricing without justifiable cause. Measures should be taken to ensure that the marginalised in the community such as the elderly and weak are able to access food. Furthermore, throughout the value chain, we have to ensure that health workers, who are at the frontline in combating this pandemic are provided for and can access food for themselves and their families.

COVID-19 CAUSING AN AGRICULTURAL CRISIS

Prof. George Chemingingwa presented this topic. He stated that not only in Kenya and Africa but on a global level, this pandemic will cause a crisis in agriculture. There is an expectation that the countries with humanitarian crises will be most affected as they were already in a bad place in terms of food security. According to the Food and Agriculture Organisation (FAO), there is enough food to sustain us during this pandemic, with the major problem being its accessibility and safety.

In Kenya, there is already frustration in the food supply chain as a result of the disruption caused by the pandemic, examples include; fruits and vegetables going bad or not reaching where they are needed since markets and farms are inaccessible due to the curfew; the relocation of markets is a challenge since it will mean that vendors will be disadvantaged and need to go further in order to sell their produce, and this means more transport costs for them; the supply chain for grains will be affected as most grains are from the food basket in Kenya (Rift Valley) and with drivers being informal, they are sometimes unable to prove that they are essential workers; and there is an increase in prices, especially of exported produce e.g. beans, are exported to Kenya from other East African countries and since there are logistical difficulties this proves difficult

Another issue we have to deal with is post-harvest losses, which is brought about due to fewer buyers as a result of the containment measures and uncertainty of incomes. Wastage, therefore, occurs as perishables such as fruits and vegetables rot, for grains, there is insect damage as well as toxins due to poor storage, and meat products such as fish, beef etc. will spoil as there is no capacity to keep them fresh for long periods.

Provision of extension and veterinary services are important during this time so that livestock and poultry farmers are guided on what to do with their animals. There is a need therefore, for these services to be moved to online platforms, which will enable farmers access information on agronomic practices. There should be the encouragement of abundant farming especially in fish farming and poultry farming as these are other sources of food other than what grows out of the earth.

The Professor reminded the audience that the locust infestation is still an issue and that it has not been resolved. The locusts are still in the fields and they continue to multiply as they are

breeding and are in the second phase of inversion which is a risk as this may cause even greater damage. The government should, therefore, focus on both the pandemic and the invasion concurrently as both are a risk to the citizens' wellbeing.

Some of the solutions the Professor recommended include; the government ensuring that roadblocks are efficient so that food can be delivered instead of curtailing its transportation; there should be support offered to farmers in terms of storage facilities to ensure food safety and non-wastage; there should also be transport support especially for the small scale farmers who do not have trucks or documentation; The government should invest in infrastructure such as solar-driven dryers to ensure excess food is properly preserved; Lastly, that the government tries to keep the borders open to ensure the country can still import food.

IMPLICATIONS OF THE TAX AMENDMENT BILL 2020

Dr. David Jakinda recommended that the government's aim at this time should be to increase the money in the pockets of consumers instead of adding taxes that will do the exact opposite.

The 1st tax amendment bill of 2020, which is to be discussed by parliament, has three main issues affecting food security:

The first is the proposal to introduce a tax to fertiliser (which was previously tax-exempt) and the result of this will be increased cost of production which will disadvantage food security in regard to affordability.

Secondly, is the increase of tax on fuels yet most agricultural products are processed this way, furthermore, this will be a challenge since it will push the vulnerable low-income households to use unsafe fuels such as charcoal.

Lastly, the classification of bread so as to introduce a tax to non-basic bread i.e. containing anything other than wheat, will lead to problems in terms of immunity since people should be trying to improve the nutritional content of food eaten yet they will not be able to afford such.

Dr. Jakinda recommended that these proposals of tax increase are reconsidered and such taxes eliminated as they do not benefit the common citizen in any way, and instead is putting them at greater risk.

He noted that the Strategic Food Reserve Fund and the National Cereals and Produce Board's main role and focus has been seeds and legumes but this is not enough as regards food

security, and should therefore now include fruits and vegetables, and the fund should use the funds allocated to bring small scale suppliers into the loop as it has in the past only been accessible to large scale food suppliers.

The solutions recommended included; Mobilising different the national and county governments to work together in ensuring the whole county has access to food; Since most government vehicles have been grounded and we are not sure about the safety of the trucks currently being used to transport food, those government vehicles such as National Youth Service buses should be fumigated then used to transport food, especially from small scale farmers to established food banks in each county; Food inspectors should be added to the value chain to ensure the quality and safety of food; Lastly, that farmers should not stop production but should be advised on how to do it safely.

THE USE OF LAND TO ENSURE FOOD SECURITY

Mr. Mairura Omwenga stated that in olden days, agriculture was restricted in urban areas due to pollution caused by industrialisation, hence food was imported from rural areas. The current restriction of movement affects the transportation of food, with the urban areas being likely to be more affected. In rural areas, there is an advantage in that since there are farms, at least most families will be able to sustain themselves with the subsistence food from individual farms. Towns and cities are the main consumers of food, yet they reduce the least and pollute the most

Articles 60 and 66 of the Constitution of Kenya 2020 give provisions on land use and the powers to regulate how land is to be used. The State has the power to regulate the use of any land in the interest of public safety, public order and public health.

In cities and towns, most land is put under infrastructural development instead of agriculture, and this needs to change. There is now cleaner industrial production thus we should embrace sustainable urban farming. There should be food within urban towns instead of reliance only on food coming from rural areas. Urban farming does not require huge pieces of land, but the limited available can be used to complement the food supply. The Public Health Act is legislation that already exists but now needs to be enforced to protect everyone's interest. People need to protect themselves first before the government comes in its capacity. This

means that urban farming needs the discipline to stop pollution from the lowest level e.g. at the estate level.

It is important to note that of late, towns have been seen to be encroaching into rural areas e.g. Kiambu which has seen lower food production since the Nairobi population started to settle there. Kiambu used to be Nairobi's breadbasket but with the current encroachment, there is now a need for Nairobi's food to come from further rural areas such as Limuru, Nakuru etc. There must be clearly defined boundaries of towns to ensure that food baskets are protected.

IMPACT OF COVID-19 TO ACCESS OF FOOD TO VULNERABLE GROUPS

Ms. Michelle noted that the three very important components to food security, which help to define the term, include availability, accessibility and affordability.

There is less access to market due to containment measures caused by the pandemic and this will mean that people are unable to get food. Since transportation is difficult food is also inaccessible as it cannot be moved from one county or country to another that needs it

Most industries have been closed down leading to loss of income hence there is a strain in income, which affects how people can afford food. An increase in the cost of production and transportation can also cause increase in food prices, which affects affordability in these uncertain times.

Vulnerable groups e.g. refugees, arid and semi-arid areas who rely mostly on international assistance will be disproportionately affected since borders have been closed. People living below the poverty line and children who were benefiting from school feeding programmes will also be disadvantaged due to the containment measures which restrict charity and donations and the closure of schools. The sick also need more care since they are already in a disadvantaged situation of having low immunity and being unable to go out and access food. There's a lack of knowledge as to who the vulnerable groups are and therefore a need to identify such persons and this category should be made to be as inclusive as possible.

Suggested solutions include the government work to support domestic food production by proving preferential tax relief to farmers and products that directly affect farm produce; Introduction of a new fund specifically for COVID-19, which will address issues of the

pandemic as they arise; Initiatives by county govt to ensure the vulnerable are being taken care of e.g. in Mombasa where there's a record of the vulnerable who need help.

COMMENTS, CONTRIBUTIONS, QUESTION & ANSWER SESSION

Ms. Joan Atim commended the panel on having a good solution-oriented discussion and raised the issue of desert locusts which has destroyed a lot of food on farms. She noted that Kenya is to benefit from an emergency fund from the World Health Organisation, to control the spread of the pest and prevent the spread of the pests. She recommended that the government of Kenya should take this locust more seriously and focus on it to avoid a worsened situation of food security.

Question from a participant - Are we food secure as Kenya in our food reserves to sustain a lockdown?

Dr. Jakinda stated that yes, there is enough food in the national reserves for about 3-4 months, but this accounts only for what comes from large scale farmers and is mostly cereals. However, there is more food in the small-scale farming area, and this should be mapped out. Therefore, there should be no need to worry as there is enough food in the country to sustain us.

Mr. Mairura contributed by stating that there's no clear information from the authorities as there are conflicting opinions as to the food in our reserves. Since the information is not there, there is a real concern as to whether the government has a plan.

Question from a Participant - How is this food going to be moved with all the restrictions?

Prof. Chemingingwa recommended that borders should not be closed so that there is movement to ensure there are no cases where there's food available yet starvation in some areas. Government vehicles should transport food to ensure fumigation and sanitation since the problem is mainly the safety of the food.

Question from a participant- What is the government doing about desert locusts?

Ms. Joan Atim stated that it is indeed a major threat to food security especially since the infestation is in its cycle as the locusts continue to breed. The government should keep us in the loop

Mr. Mairura agreed that the government must continue to address the issue, although, understandably, COVID-19 has been prioritised since it is an immediate life and death matter, we must continue to monitor the locust situation.

Question from a participant - Are the locusts edible? Can they be harvested and kept for future use?

Yes, they are edible, but the magnitude of the risk cannot be contained through harvesting for food. It is an outbreak which needs to be contained using chemicals. It is also notable that locusts are not the only biotic problem as other pests and diseases are affecting agricultural produce.

Mr. David Otieno from Kenya Peasants League gave insight from the perspective of small-scale farmers by stating that there is very little involvement of small-scale farmers by the government. Ensure these farmers can work with the government to ensure food production is safe. Also, small scale farmers should have documents which identify them as essential service providers.

There are systems which need to be considered, such as cases where families get food from their relatives in the villages. Do not criminalise peasants way of life. He also noted that there should be information on how safety standards at the household level can be maintained except washing of hands. There should be sensitization of safety measures when people are sharing food with their neighbours.

Dr. Okoth added that yes small-scale farmers should be included in the value chains. In Africa these chains are complicated as there are many middlemen between the producer and consumer and this passing on many hands leads to a problem in safety regulations. Forgetting small producers worsens this. We can develop ICT applications that inform farmers on what they need to know and enables them to communicate with each other. There should also be collection centres so that there's a place for safety regulations to be checked.

Prof. Jane from the audience stated the need for people to eat fruits and vegetables for their immunity noted that we should consider ways to enhance the consumption of these to the population as they are protective foods, thus we should ensure that there is access to these foods otherwise we will have other problems with people having low immunity.

Mrs. Sarah, a clinical dietician noted that often during charity, cereals are given to the vulnerable as a solution, yet sometimes it is not very helpful because they are so weak such

that their bodies cannot even process such foods. In addition to this, there are other elements such as fuel which is to be used to cook these cereals and other dietary needs which need to be considered.

Question from a participant – Inclusion of wildlife farming and domestication in the food industry?

At the moment there is no evidence of the transfer of COVID-19 from animals to humans, however, when it comes to dealing with meat there have to be precautionary measures to ensure it is well cooked. Eating bush mean is not a good solution to the food problem at the moment.

Prof. Kimenju from the audience noted that ‘mama mbogas’ are not included in planning and there seems to be no place for them, hence they have been pushed to open-air markets where the disease can spread faster, yet they are very valuable in our food security and in the value chain.