



Impact of COVID-19 on Kenya's Food Systems

SITUATION REPORT – EDITION 3
14 June 2021

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TABLE OF CONTENTS

1	<i>Scope and Purpose</i>	3
2	<i>COVID-19 restrictions & support for the vulnerable</i>	3
3	<i>Impacts of COVID-19 on Local Food Systems and Food Security and Nutrition</i>	5
4	<i>Price Changes</i>	8
5	<i>Consumer Behaviour</i>	10
6	<i>Support Initiatives for Food System SMEs</i>	11
7	<i>Conclusion</i>	12

List of Abbreviations

AGRA	Alliance for a Green Revolution in Africa
AgTech	Agricultural Technology
APNI	African Plant Nutrition Institute
ASAL	Arid and Semi-Arid Lands
CNAP	County Nutrition Action Plan
ESR	Enhanced Single Registry
FAO	Food and Agriculture Organization
FEWS	Famine Early Warning Systems
GAIN	Global Alliance for Improved Nutrition
IPC	The Integrated Food Security Phase Classification
KALRO	Kenya Agricultural and Livestock Research Organisation
KEMRI	Kenya Medical Research Institute
KEMSA	Kenya Medical Supplies Authority
KEPSA	Kenya Private Sector Alliance
KES	Kenyan Shilling
KFMW	Keeping Food Markets Working
KNBS	Kenyan National Bureau of Statistics
KNCCI	Kenya National Chamber of Commerce and Industry
KTN	Kenya Television Network
MLSP	Ministry of Labour and Social Protection
MSMEs	Micro, Small and Medium-sized Enterprises
NSNP	National Safety Net Programme
PCP	Programme for Country Partnership
PPE	Personal Protective Equipment
SCAN	Supply Chain Analysis for Nutrition
SMEs	Small and Medium-sized Enterprises
SUN	Scaling Up Nutrition
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
USD	US Dollar
WFP	World Food Programme
WHO	World Health Organization

An exchange rate of USD 1 = KES 107.89 was used throughout this report

KEY MESSAGES

- The food security situation in Kenya worsened in April 2021, especially in urban areas.
- Due to below-average rainfall, many households are experiencing acute water, food and pasture shortages, especially in Uasin-Gishu, Mandera, Marsabit and Turkana counties, resulting in Crisis (IPC Phase 3) and Emergency (IPC Phase 4) outcomes.
- Food inflation rates in Kenya have been declining since January 2021, but the month-on-month food index significantly rose from 0.35% in March 2021 to 1.73% in April 2021, mainly driven by increases in the prices of fresh foods such as tomatoes and cabbages.
- An increasing number of food system SMEs require continued support to stay in business and provide nutritious, safe foods due to the sustained and evolving effects of COVID-19.
- Balcony and backyard gardens are becoming increasingly popular in Kenya as many urban residents seek to have secure access to fresh foods, contributing to food security.

1 SCOPE AND PURPOSE

With Kenya weathering the third wave of COVID-19, the Global Alliance for Improved Nutrition (GAIN) has continued to develop ways to mitigate the impact of the pandemic on livelihoods and SMEs in Kenya through the Keeping Food Markets Working (KFMW) programme. KFMW is providing targeted support to help sustain core food systems, support workers and keep markets functioning during the COVID-19 emergency. The programme's objective is to mitigate the risk of the collapse of food systems and ensure the availability and affordability of nutritious food. **This report, which is the third in a series, summarises the current situation of Kenyan food systems amidst COVID-19 between March and May 2021, with an emphasis on small and medium-sized enterprises (SMEs) and nutritious food value chains.**

The information in this edition comes largely from a synthesis of relevant secondary data but also includes some primary research by GAIN and its partner initiatives. A thorough desk review of available secondary data was conducted, including FEWS NET; the Kenyan National Bureau of Statistics (KNBS); the Food and Agriculture Organization (FAO) Big Data tool on food chains under the COVID-19 pandemic; FAO Food Price Monitoring and Analysis; and over a dozen studies by IPCC, the World Bank and others. The information is current as of approximately May 2021.

2 COVID-19 RESTRICTIONS & SUPPORT FOR THE VULNERABLE

As Kenya's COVID-19 caseload increased between late March and April 2021 (see Figure 1), the government tightened existing measures to slow infection rates.¹ Public order was announced to restrict movement in and out of the declared infected zones, consisting of five neighbouring counties, including Nairobi, which accounted for about 60% of the recorded cases.² In addition, the daily curfew was revised from 10 pm to 4 am to 8 pm to 4 am, all public gatherings and in-person meetings prohibited, bars/restaurant remained closed (only allowing takeaways) and domestic flights suspended. Outside the hotspot regions, the daily curfew continued to run from 10 pm to 4 am, restrictions imposed on public gatherings and bars/restaurant operations remained and international travel was allowed, albeit with a negative COVID-19 certificate.³

¹ <https://www.afro.who.int/news/kenya-third-wave-response-time-synergize-and-re-energize>

² <https://www.afro.who.int/news/kenya-third-wave-response-time-synergize-and-re-energize>

³ <https://www.garda.com/crisis24/news-alerts/467521/kenya-authorities-extend-existing-covid-19-related-restrictions-through-at-least-may-29-update-21>

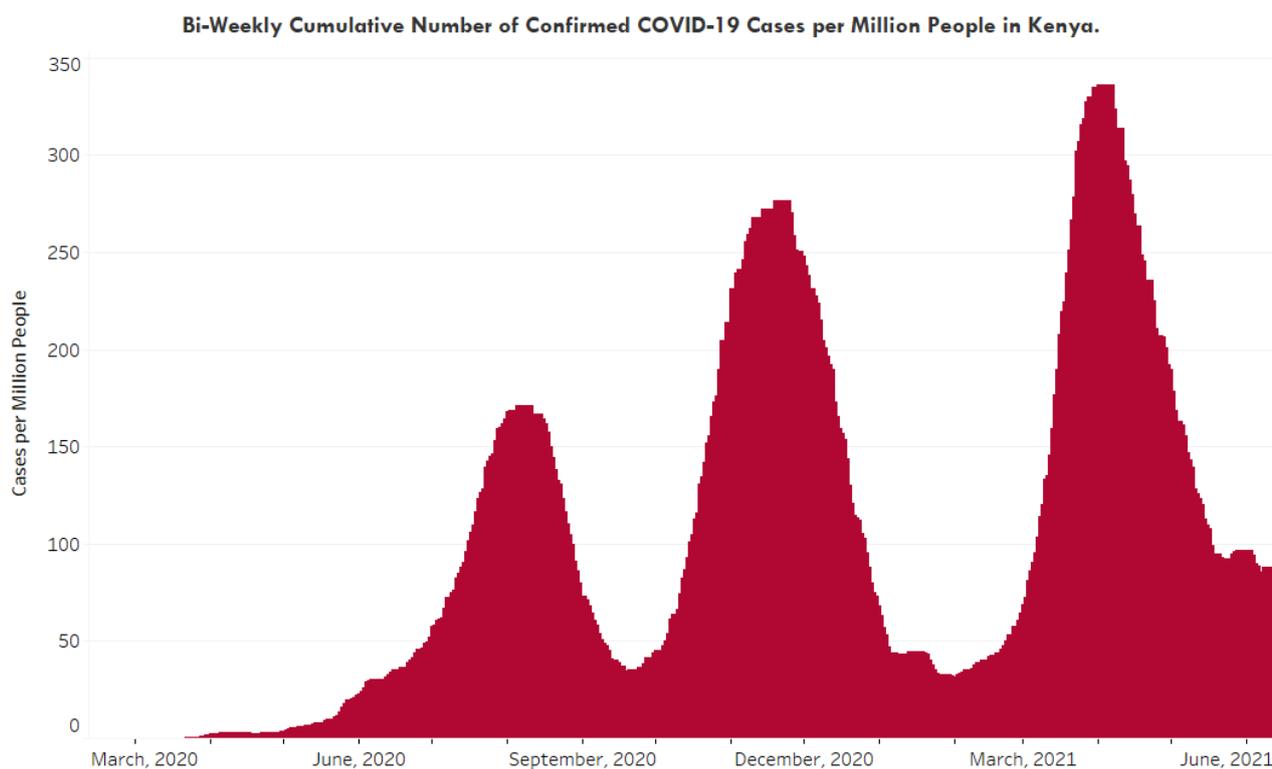


Figure 1: Bi-Weekly Cumulative Number of Confirmed COVID-19 Cases per Million People in Kenya

Source: <https://ourworldindata.org/coronavirus> – Last updated 14 June 2021.

In rural and urban Kenya, compliance with COVID-19 guidelines, such as wearing masks, washing hands and avoiding congested gatherings, dropped from an average of 72% in early February 2021 to 57% in late March 2021 and then gradually rose back to 82% in late April 2021, but has been declining since.⁴ According to the World Bank, this swing in behaviour is a potential reason for the third wave and is attributed to pandemic fatigue, resulting from many months of restrictions on the daily lives of Kenyans.⁵ The second phase of COVID-19 vaccinations, which was scheduled for May 2021, was postponed to June or July 2021 due to the unavailability of the AstraZeneca-Oxford vaccine.^{6,7}

Declining compliance with COVID-19 guidelines and slow vaccine rollout could lead to further increases in COVID-19 cases in Kenya. As of 9 June 2021, Kisumu County alone recorded a 28.4% weekly positivity rate of COVID-19.⁸ Kenya sought to manufacture COVID-19 vaccines in late May 2021 by leveraging Kenya Medical Supplies Authority’s cold chain expertise and Kenya Medical Research Institute’s relationship with vaccine manufacturers to develop a three-phase, 36-month action plan to set up the plant’s infrastructure, integrate a bulk antigen production facility and ensure capacity building with a focus on research and development.⁹

To support the vulnerable, in June 2021, the government of Kenya launched the Empowering Novel Agribusiness-led Employment (ENABLE Kenya) programme, which is co-funded by the African Development Bank. The programme aims to build the capacity of about 10,000 young people involved in agribusiness, who will then create employment opportunities for another 50,000 youths in the country.¹⁰ The Government had introduced tax relief and managed

⁴ General tab | <https://www.worldbank.org/en/country/kenya/brief/monitoring-covid-19-impact-on-households-and-firms-in-kenya>

⁵ <https://documents1.worldbank.org/curated/en/434961617772887975/pdf/Socioeconomic-Impacts-of-COVID-19-in-Kenya.pdf>

⁶ <https://www.voanews.com/covid-19-pandemic/vaccinations-delayed-kenya-no-new-doses-arrive-india>

⁷ <https://healthpolicy-watch.news/kenya-rollout/>

⁸ [https://cog.go.ke/images/Statements/COVID-](https://cog.go.ke/images/Statements/COVID-19/PRESS%20STATEMENT%20ON%20COUNTY%20GOVERNMENTS%20RESPONSE%20MEASURES%20TO%20THE%20COVID-19%20PANDEMIC%20-%209TH%20JUNE,%202021%20.pdf)

[19/PRESS%20STATEMENT%20ON%20COUNTY%20GOVERNMENTS%20RESPONSE%20MEASURES%20TO%20THE%20COVID-19%20PANDEMIC%20-%209TH%20JUNE,%202021%20.pdf](https://cog.go.ke/images/Statements/COVID-19/PRESS%20STATEMENT%20ON%20COUNTY%20GOVERNMENTS%20RESPONSE%20MEASURES%20TO%20THE%20COVID-19%20PANDEMIC%20-%209TH%20JUNE,%202021%20.pdf)

⁹ <https://www.tropicalmedicine.ox.ac.uk/news/covid-19-vaccine-research-in-kenya>

¹⁰ <https://www.president.go.ke/2021/06/04/president-kenyatta-unveils-a-shs-2-2bn-agribusiness-fund-as-he-launches-rebranded-4-k-clubs/>

to work with banks to proactively assist businesses through the pandemic but most of the monetary, fiscal and micro-financial support measures ended on 29 April 2021.¹¹

In addition, United Nations agencies, international development agencies, civil society and the private sector continue to take actions such as:

- In April 2021, the United Nations Industrial Development Organization, in partnership with the government of Kenya, rolled out a "Programme for Country Partnership" (PCP) model to drive Kenya's Post-COVID-19 industrial recovery and growth. Kenya aims to attract more than USD 30 billion in manufacturing investments over the next five years to develop agro-processing facilities and other facilities in the textile, leather, energy and environmental sectors. The first PCP project will be on a 280-acre parcel of land designated for integrated agro-industrial parks in Nyamira County.¹²
- Around late May 2021, the African Plant Nutrition Institute in partnership with Alliance for a Green Revolution in Africa (AGRA), Kenya Agricultural and Livestock Research Organisation (KALRO) and USAID launched a one-year COVID-19 mitigation project aimed at benefitting 14,000 vulnerable maize, beans, green gram and vegetable farmers in Makueni, Kakamega, Bungoma and Siaya counties. The project will provide training and high-quality inputs to farmers.¹³
- In June 2021 through the GlobalGiving COVID-19 programme, the Garden of Hope Foundation supported 50 young mothers to start businesses generating weekly profits of up to KES 2,000 (USD 18.5) to provide for their children. The overarching goal of the project is to sustain the livelihoods of 500 families affected by COVID-19 in Kenya.¹⁴ In May 2021, another project through the GlobalGiving COVID-19 programme but under the East African Children's Fund equipped 5,000 mothers, the majority of whom are heads of their households, with seeds, skills and small tools so that they can grow and have access to fresh food.¹⁵

More details on SME-related support actions can be found in Section 6.

3 IMPACTS OF COVID-19 ON LOCAL FOOD SYSTEMS, FOOD SECURITY, AND NUTRITION

The COVID-19 pandemic has disrupted local food systems in different ways, making it difficult to meet shifting consumer preferences, disrupting the supply networks of SMEs and leaving much of the population food insecure, in terms of both quantity and quality of food. **As forecasted by the IPC acute malnutrition analysis (IPCAMN), the nutrition situation worsened in most arid and semi-arid lands (ASAL) counties of Kenya.** Rainfall between March and May 2021 was below average in several parts of the country, resulting in crop failures in Uasin-Gishu county (the country's food basket), drought in Turkana County, deteriorating animal body conditions that led to deaths in Mandera, Marsabit and Turkana counties, negatively affecting milk production and consumption, and general acute water, food and pasture shortage.^{16,17}

As a result, more poor urban households continue to face Crisis (IPC Phase 3) outcomes, employing crisis-coping strategies such as purchasing food on credit, reducing the number and size of meals, and reducing healthcare expenses. In addition, the most affected households in urban areas are applying coping strategies indicative of Emergency (IPC Phase 4), including engaging in illegal income activities.¹⁸ A 60 Decibels and MercyCorps COVID-19 study based on 5,600 farmer conversations between June 2020 and April 2021 found that 83% of farmers wanted to sell more but could not because they had lost connections with their off-takers, lacked access to current information or lacked transportation support. In addition, although prices of inputs are beginning to stabilise, 76% reported an increase in the price of agricultural inputs in April 2021, while 63% received lower prices for their

¹¹ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#K>

¹² <https://kenya.un.org/en/126013-united-nations-supporting-kenyas-post-covid-19-industrial-recovery-and-growth-achieve>

¹³ <https://www.apni.net/2021/05/28/project-launch-covid-19-food-security-mitigation-for-kenyan-farms/>

¹⁴ <https://www.globalgiving.org/projects/sustain-500-families-affected-by-covid-19-in-kenya/reports/#menu>

¹⁵ <https://www.globalgiving.org/projects/seedlings-soap-food-children-africa-women-hunger-covid/reports/#menu>

¹⁶ <https://reliefweb.int/sites/reliefweb.int/files/resources/GRFC%202021%20050521%20med.pdf>

¹⁷ https://meteo.go.ke/sites/default/files/forecast/seasonal-forecast/JJA_2021_Final_Draft_31_05_2021_0600hrs_Reviewed%20%20PDF.pdf

¹⁸ <https://fews.net/east-africa/kenya/key-message-update/may-2021>

produce.¹⁹ This increase in the unit cost of production but decreasing income from selling produce is pushing farmers to draw from their savings and increasing the reliance of those without savings on credit facilities from both digital lenders and shopkeepers compared to pre-COVID-19.²⁰ This situation could further drive farmers into indebtedness as they struggle to repay loans. A quarter of the farmers surveyed were not confident about farming in May/June 2021, citing low-profit margins, limited finances and unaffordable costs of inputs as barriers. While rainfall in June, July and August are historically abundant in the Western region and the Coastal Strip of Kenya compared to the rest of the country, the forecast for the 2021 period is below-average rainfall and above-average temperatures. This is likely to lead to reduced harvests and worsening food insecurity in the Coastal Strip, exacerbating the indirect effects of COVID-19, such as loss of income.

Impact of COVID-19 on SMEs

SMEs are still recovering from the impacts of COVID-19 on their businesses. According to a survey (n = 47) by GAIN and partners, including the Scaling Up Nutrition (SUN) Business Network, it was reported that for almost half of the firms (49%), effects of COVID-19 have lessened over time and business operations have improved compared to the onset of the pandemic.²¹ 85% of respondents anticipated future impacts on their supply chains, including shortages of supplies (63%), diversifying supply chains (45%) and shifting to a localised supply chain (38%).²² Food system SMEs are crucial to ensuring food security but also vulnerable to the lasting effects of the pandemic. Therefore, while their situation may have improved since the earlier days of the pandemic, some will require continued support to build back better and provide nutritious, safe foods in the medium to long term.

Excerpts from interviews with SMEs held by GAIN in 2021 show that the main effects of COVID-19 on the Kenyan food system between November 2020 and May 2021 include the following:

- While there were decreased sales arising from the complete closure of retail and sales outlets and reduced operation hours due to curfews, which destabilised cash flows, there were also increased costs of raw materials and ingredients, leading to poor profit margins. For example, the market price of raw peanuts increased due to low supply and challenges with importers, who usually stabilise the price by increasing supply. The price increased from KES 115 - 120 (USD 1.00 - 1.10) per kg pre-COVID-19 to KES 150 - 170 (USD 1.40 – 1.60) per kg during COVID-19.
- Some SMEs had to lay off staff, while others reduced staff salaries. Employees also experienced reduced productivity and efficiency due to difficulties getting to work and back home.
- Market access was affected by the cessation of movement across counties as well as reduced working hours due to night curfews, and consumers in low-income areas had reduced purchasing power. With less demand from consumers, SMEs have had to cut on some planned activities, which stagnated planned growth.
- The cost of production increased significantly due to high operational costs and production below capacity. SMEs' budgets were distorted by the expense of all staff with daily personal protective equipment (PPE).

Food and Nutrition Security in Focus

The food security situation in Kenya varies widely across urban and rural areas due to unequal exposure to factors such as rainfall, climate change and COVID-19-induced challenges. As reported by the World Bank (12 April 2021), 28% of adult household members skipped at least one meal in late March 2021. The situation worsened in early April 2021, especially in urban areas, rising to 39%. In addition, the number of times children skipped meals per week increased in April 2021 but has been decreasing since mid-May 2021. Food insecurity in female-headed households was reported to remain fairly similar to March 2021 figures, with 30% of adults skipping at least one meal per week.²³

¹⁹ May Infographic Summary | <https://www.mercycorpsagrifin.org/2021/03/30/60db-partnership-how-are-kenyan-farmers-fairing-in-the-face-of-covid-19/>

²⁰ https://reliefweb.int/sites/reliefweb.int/files/resources/KENYA_Food_Security_Outlook_February%202021_Final.pdf

²¹ <https://sunbusinessnetwork.org/investigating-the-impact-of-covid-19-on-smes-in-the-food-system/>

²² <https://2fe0ur3bixo1clgx344dzbo3-wpengine.netdna-ssl.com/wp-content/uploads/2021/03/SBN-COVID-report-Kenya-FINAL.pdf>

²³ <https://www.worldbank.org/en/country/kenya/brief/monitoring-covid-19-impact-on-households-and-firms-in-kenya>

As Figure 2 and Figure 3 show, the incidence of food shortages between January to March 2021 and April to June 2021 varied widely across the country. While households in some counties have had to struggle more to cope with poor and uneven distribution of rainfall and the effects of COVID-19 on their food supply²⁴, others fell within the Acceptable Food Consumption Score.²⁵ Between January and March 2021, the worst affected counties were Samburu, Bomet and Lamu (more than 54% of households experiencing food shortages); between April and June 2021, the worst affected counties were Wajir, Meru and Bomet (more than 70% of households experiencing food shortages). Bomet appeared in both the January to March 2021 and April to June 2021 comparison.

Shortage of fresh drinking water has been a persistent issue in Bomet, especially during the dry season (between May to October).²⁶ Although it was in the rainy season, there was a controversy around water shortage in April/May 2021 due to heavy rains causing debris to block the main piping system.²⁷ The least affected counties between January and March 2021 were Garissa, West Pokot and Nandi (15% and less experiencing food shortages), while the least affected between April and June 2021 were

Turkana, Nakuru and Kericho (22% and less experiencing food shortages). Some counties, such as Wajir and Meru, are experiencing floods and reduced milk production, respectively. 97 households and 14 SMEs were reported to be displaced and had lost property due to floods at two locations in the Tarbaj sub-county of Wajir.²⁸ Milk consumption per household per day decreased in April 2021 and is currently below the long-term average of 1.4 litres.²⁹ The reduction is due to declining livestock body conditions and increased migration away from homesteads (which is atypical for this time of the year) in search of pasture and watering sources.³⁰ Another reason for the decline in consumption is increasing temperatures in Q4 2020, which were unfavourable for dairy cattle, pigs, and poultry, also affecting the availability of meat.³¹ No additional county has launched a County Nutrition Action Plan (CNAP) since the previous edition of this report in March 2021, and only one of the worst affected counties in terms of food shortages, Bomet, has one.^{32,33} A survey of over 14,500 consumers in Kenya conducted between late May and June 2021 by Statista found that the top three reasons why households lacked access to food markets and grocery stores were the closure of markets, movement

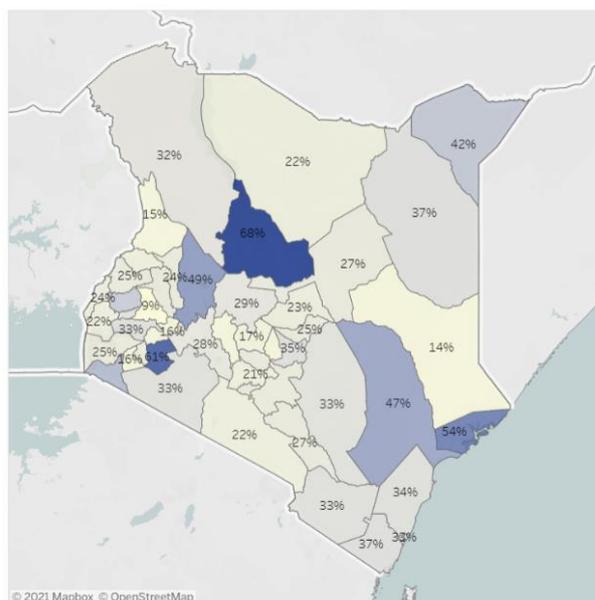


Figure 2: Households that experienced food shortage January to March 2021.

Source: World Bank.

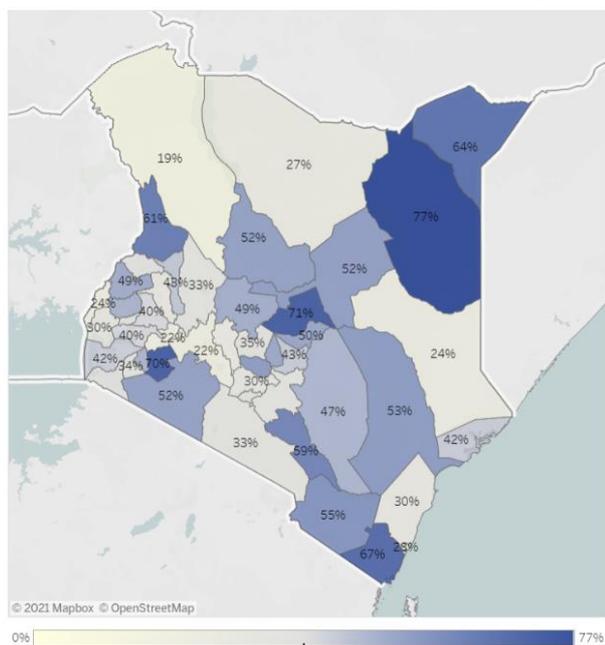


Figure 3: Households that experienced food shortage April to June 2021.

Source: World Bank.

²⁴ <https://www.ndma.go.ke/index.php/resource-center/early-warning-reports/send/11-samburu/6037-samburu-april-2021>

²⁵ <https://www.ndma.go.ke/index.php/resource-center/early-warning-reports/send/22-west-pokot/6043-west-pokot-april-2021>

²⁶ <https://www.reuters.com/article/us-kenya-environment-water-nature-featur-idUSKBN2830U3>

²⁷ <https://ke.opera.news/ke/en/politics/40a757795b4b2907194c389d9e4137cb>

²⁸ <https://www.ndma.go.ke/index.php/resource-center/early-warning-reports/send/27-wajir/6042-wajir-april-2021>

²⁹ <https://www.ndma.go.ke/index.php/resource-center/early-warning-reports/send/6-meru-north/6035-meru-april-2021>

³⁰ https://reliefweb.int/sites/reliefweb.int/files/resources/KENYA_Food_Security_Outlook_Update_April_2021_Final.pdf

³¹ <http://www.fao.org/3/cb4230en/cb4230en.pdf>

³² <https://scalingupnutrition.org/news/county-governments-in-kenya-commit-to-increase-resources-for-nutrition/>

³³ <https://www.nutritionintl.org/news/all-news/bomet-county-launches-nutrition-action-plan/>

restrictions and fear of contracting COVID-19,³⁴ signifying that access to food markets is still limited even though COVID-19 restrictions have been relaxed. To analyse the FSN situation closer, a combination of FAO's dimensions of food security³⁵ and GAIN's Supply Chain Analysis for Nutrition (SCAN)³⁶ tools were used (see Figure 5). While it is early to conclude on the longer-term impacts of the third wave of COVID-19 on the Kenyan food system, some positive trends are emerging: food safety awareness is growing, and digital services are becoming increasingly popular amongst consumers, agri-SMEs and farmers.

4 PRICE CHANGES

The food inflation rate declined consistently between January 2021 and April 2021 but increased in May 2021.

As shown in Figure 4, it has steadily dropped from 7.36% in January 2021 to 6.42% in April 2021. One reason for this is comparatively low prices for staple cereals, reflecting adequate domestic and trade stocks. Reduced demand due to economic contractions induced by the third wave of COVID-19, such as temporary loss of household income and reduced purchasing power, could be another reason.³⁷ Similarly, the month-on-month food price index has been declining since December 2020 but rose significantly from 0.35% in March 2021 to 1.73% in April 2021. The lockdown in late March 2021 sharply increased the prices of staple foods, as expected.³⁸ The rise in food prices in April 2021 was also partly due to the seasonal rise in prices of maize and sorghum in preparation for an early lean season starting in late June instead of July.³⁹ Delayed planting in many areas of Kenya is driven by below-average rainfall and above-average temperatures.⁴⁰ The increase in the cost of transportation in May 2021 (due to the rise in the price of fuel) led to additional logistics cost for food system SMEs.⁴¹ This reflected as an increase in the prices of food in May 2021 shooting up the year-on-year inflation rate from 6.42% in April 2021 to 7.02% in May 2021⁴² but with mixed effect on the month-on-month inflation rate due to existing price instability.⁴³

Prices of maize and beans varied across counties between February 2021 and April 2021 due to rain distribution, the third wave of COVID-19 and dwindling consumer demand. In February 2021, maize prices were reported by FEWS NET to range between average to 19% below average because of the abundance of the October to December 2020 short rains, which aided production in the high and medium production areas of western Kenya and the North Rift and increased cross-border imports from Uganda. However, due to low market supply arising from COVID-

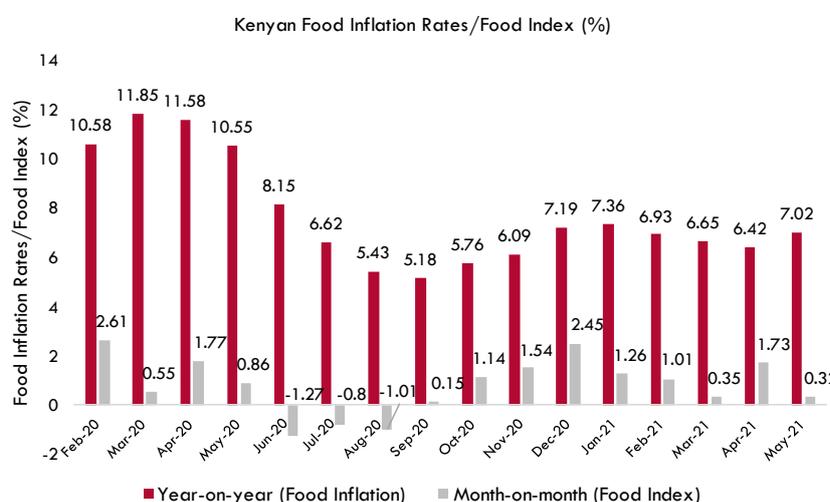


Figure 4: Kenya's Food Inflation Rates/Food and Non-Alcoholic Drinks Index (%)
Source: KNBS 2021.

³⁴ <https://www.statista.com/statistics/1170647/reasons-for-not-access-the-market-to-buy-food-items-in-kenya/>

³⁵ Note: According to FAO, the four dimensions of food security are: availability of food, access to food, food utilization and stability of the three dimensions over time. SCAN is a tool to understand how the various stages of the supply chain contribute to the accessibility, desirability and quality of the food in question.

³⁶ <https://www.gainhealth.org/resources/reports-and-publications/supply-chain-analysis-nutrition-tool-scan>

³⁷ <http://www.fao.org/3/cb4720en/cb4720en.pdf>

³⁸ <https://reliefweb.int/sites/reliefweb.int/files/resources/East%20Africa%20Key%20Message%20Update%20-%20Food%20insecurity%20rises%20amid%20conflict%20and%20price%20and%20weather%20shocks%20and%20COVID-19%20third%20wave%20%28April%202021%29.pdf>

³⁹ <https://reliefweb.int/sites/reliefweb.int/files/resources/WFP-0000128059.pdf>

⁴⁰ https://reliefweb.int/sites/reliefweb.int/files/resources/KENYA_Food_Security_Outlook_February%202021_Final.pdf

⁴¹ <https://kenyanwallstreet.com/petrol-up-diesel-kerosene-holds-steady-in-may/>

⁴² <https://www.knbs.or.ke/?wpdmpro=may-2021>

⁴³ <https://kenyanwallstreet.com/kenyas-inflation-hits-5-87-in-may/>

Key Influencer	Sub-Influencer	Underlying Factor	Impact on FSN	Context
Accessibility	Availability	Low supply	Strong	<ul style="list-style-type: none"> FAO Dairy Market Review published April 2021 reported that milk production slightly declined in Kenya due to increasing temperatures in Q4 2020 which was unfavourable for pig, poultry and dairy cattle as forecasted by Nature Food. It also affected availability of meat Kenya experienced loss of cereal crops around mid-April 2021 due to inadequate rainfall. This will likely contribute to the persistently rising prices of food until the next harvest.
		More food safety activities	Strong	<ul style="list-style-type: none"> In June 2021, International Finance Corporation reported an increasing number of food SMEs in the supply chain getting certified internationally for food safety standards.
	Affordability	Reduced income	Less Strong	<ul style="list-style-type: none"> According to The Conversation, the various lockdowns and movement restrictions led many Kenyans especially those living in rural areas to lose income earning opportunities hence reducing consumption of diverse and nutritious foods such as meat, fish and milk.
		Price hike	Strong	<ul style="list-style-type: none"> Below-average rain in March 2021 led to low supply of vegetable products in April 2021 causing an increase in the price of tomatoes and cabbages.
Desirability	Convenience	Uptick of digital services	Strong	<ul style="list-style-type: none"> Bolt, the ride-hailing app joined the already existing Uber Eats and Jumia Foods in launching a food delivery service in Kenya. Bolt Food launched late March 2021 around the same time Kenya confirmed its third wave of COVID-19 In April 2021, a 60 Decibels survey in Kenya revealed that the use of mobile financial services such as mobile money, mobile savings, mobile borrowing has increased amongst farmers.
	Perception	Cautious spending	Strong	<ul style="list-style-type: none"> In March 2021, consumer confidence improved but was below pre-COVID-19 levels. Then the third-wave hit and consumer confidence slumped While COVID-19 restrictions have been relaxed since May 2021, consumers still spend cautiously especially on fresh foods and vegetables
Quality	Nutrition	Promoting nutrient-rich food	Strong	<ul style="list-style-type: none"> Households in Isiolo county are planting a nutrient-rich specie of potato called Orange-fleshed sweet potato (OSP) after being introduced to it by a team of scientists from Jomo Kenyatta University of Agriculture (JKUAT) and Technology's College of Agriculture and Natural Resources (COANRE)
	Awareness	Health and nutrition concerns	Strong	<ul style="list-style-type: none"> The initial ban on maize import in March 2021 raised consumer awareness of the importance of food safety standards, especially the dangers of aflatoxins.

Figure 5: Matrix of Key Factors Influencing Nutrition and Food Security Situation in Kenya.

Note: Darker colouring indicates a stronger impact on the availability, convenience and affordability of food between February 2021 and May 2021 based on an internal evaluation.

Sources: [Business Daily Africa](#). [Down to Earth](#). [Tech Cabal](#). [FAO](#). [The International Finance Corporation](#). [The Conversation](#). [FEWS NET](#). [Research World](#). [Jomo Kenyatta University of Agriculture](#).

Strong	Less Strong
Weak	Very Weak

19 restrictions and border closures with Ethiopia and Somalia, maize prices were 16-20% above average in Garissa and Mandera. Similarly, bean prices were above average by 29% in Taita Taveta and Mombasa following three consecutive below-average seasons.⁴⁴ The delayed and below-average rainfall in March 2021 in bimodal areas of Kenya led to a second consecutive season of below-average harvests and suppressed livestock production, increasing the prices of staple foods in April 2021.⁴⁵

Tomatoes, cabbages and potatoes are the major food commodities driving the increase in food prices between March and April 2021. As reported by the Kenya National Bureau of Statistics in April 2021, prices of sugar and oranges decreased by 0.56% and 0.06%, respectively which was outweighed by increases in the price of tomatoes (8.5%), cabbages (5.68%) and potatoes (3.85%), for the overall consumer price index to stand at 114.75 compared to 113.81 in March 2021.⁴⁶

5 CONSUMER BEHAVIOUR

According to World Food Programme (WFP) real-time monitoring in Kenya, Somalia and Ethiopia, about half (50%) of households reported challenges accessing markets during the third week of April 2021, mainly because of a lack of purchasing power resulting from households facing economic challenges.⁴⁷ The following other noticeable shifts in consumer behaviour occurred since March 2021:

Consumer confidence has been declining due to the different waves of COVID-19. The Purchasing Managers' Indexes of Markit Stanbic Bank Kenya revealed that the contraction of Kenya's private-sector activity in April 2021 was mostly due to the new restrictions imposed to mitigate the third wave of COVID-19. The movement restrictions resulted in lower consumer demand, which forced firms to cut back on output and spending on inputs. Similarly, in September 2020, many Kenyans postponed spending activities because of the uncertainties associated with COVID-19 and the then-upcoming second wave.⁴⁸

There was uncertainty in the labour market during the weeks leading to the confirmation of Kenya's third COVID-19 wave. Although overall the number of people out of the labour force in early February 2021 had fallen below the pre-COVID-19 average,⁴⁹ there was a large variation in unemployment between late March 2021 and early May 2021, especially in urban areas: 29% in late March 2021, 15% in mid-April 2021 and 22% in early May 2021. This variation can be attributed to the uncertainty about the consequences of Kenya's third COVID-19 wave for movement restrictions, business behaviour and the economy.⁵⁰

Trust in the government is dwindling as the vaccination campaign slows. Around mid-May 2021, Kenyans' trust in the government fell from a weekly average of 74% in late March 2021 to one of the lowest figures (53%) since May 2020.⁵¹ The initial trust was partly due to COVID-19 vaccination priority being given to frontline health workers and the elderly and the president leading senior government officials on a public vaccination exercise on 26 March 2021.⁵² By mid-May 2021, however, doses had become limited and Kenyans began to ask questions. Around the same time, the IMF approved a USD 2.34 billion loan to support Kenya's response to the third wave of COVID-19, which attracted both online and offline protests from Kenyans citing mismanagement of funds by the government and the country's increasing debt load.⁵³

Urban farming is becoming increasingly popular. Community-based urban farming organisations in Nairobi's informal settlements are teaching and encouraging many urban residents to garden in backyards and grow food on

⁴⁴ <https://fews.net/east-africa/kenya/key-message-update/march-2021>

⁴⁵ <https://fews.net/east-africa/kenya/key-message-update/april-2021>

⁴⁶ <https://www.knbs.or.ke/?wpdmpro=cpi-april-2021>

⁴⁷ <https://reliefweb.int/sites/reliefweb.int/files/resources/WFP-0000128059.pdf>

⁴⁸ <https://www.gainhealth.org/sites/default/files/publications/documents/impact-of-covid-19-on-kenya-food-systems-situation-report-edition-1.pdf>

⁴⁹ Employment tab | <https://www.worldbank.org/en/country/kenya/brief/monitoring-covid-19-impact-on-households-and-firms-in-kenya>

⁵⁰ <https://www.sciencedirect.com/science/article/pii/S2211912421000249>

⁵¹ General tab | <https://www.worldbank.org/en/country/kenya/brief/monitoring-covid-19-impact-on-households-and-firms-in-kenya>

⁵² <https://www.gavi.org/vaccineswork/kenya-completes-its-first-round-covid-19-vaccinations>

⁵³ <https://qz.com/africa/2001988/why-kenyans-are-refusing-the-imfs-billions/>

balconies, to shorten the food chain and increase access to fresh foods.^{54,55} Some households in Kibera, Nairobi now use sacks made from local sisal fibres as gardens to grow onions and spinach.⁵⁶

While consumers are involved in local income-generating activities to cover for unemployment, they are still engaging in various other coping strategies. The weekly average of unemployed adults in Kenya rose from 5% in late March 2021 to 26% in early April 2021. Although it has been gradually improving and was at 15% as of late May 2021, the number of unemployed adults is still more than it was in February and March 2021. When consumers were recovering from the second COVID-19 wave in early 2021, a lack of food was an issue for about 1 in 3 households,⁵⁷ pushing them to engage in alternative livelihoods. Between February and May 2021, 1 in 5 households across all pastoral counties excluding Samburu and Wajir were engaged in livelihood coping strategies indicative of Crisis (IPC Phase 3), such as withdrawing children from school. The forecast for June to September 2021 suggests coping strategies will be needed, including relying on less preferred or less expensive food (which usually translates to less nutritious food), borrowing food, taking credit from neighbours/friends, reducing meal sizes, skipping meals, decreasing expenses on health, and the sale of productive assets such as livestock.⁵⁸

6 SUPPORT INITIATIVES FOR FOOD SYSTEM SMES

During the third wave of COVID-19 in Kenya, the World Health Organisation recommended that the Kenyan government urgently provide an economic cushion package to minimise the effects of the lockdown and its socioeconomic impacts by keeping supply chains open and extending tax relief measures and business stimulus initiatives to keep the economy running.⁵⁹ However, as KTN News Kenya reported⁶⁰, no such plan was developed. Other recommendations included a national technical assessment of hospital preparedness, a home care support strategy, revamping risk communication and community engagement, vaccine roll-out support and prioritising front-line health care workers; none of these directly support food systems SMEs.

The government, private sector, civil society, UN agencies and multinationals have taken the following actions to support SMEs, especially in terms of infrastructure and facilitating digital activities:

Government Policy Responses

Since March 2021, existing measures have been updated and new ones introduced by the government and the central bank to help support businesses, including food SMEs. For example, The Government of Kenya has released a consignment of seeds, seedlings, and other related inputs worth KES 12.75 million (USD 118,178) to be distributed to small scale farmers under Scale Irrigation and Value Addition Programme (SIVAP).⁶¹ Also, the open banking infrastructure to be implemented by the Central Bank of Kenya is intended to improve payment solutions, increase the transparency of lending and further accelerate Kenya's digital transformation.⁶² When fully implemented, the five-year plan will act as the foundation for developing Kenya's overall payments industry.

Private-Sector Responses

Through GAIN's emergency response to the crisis, the KFMW programme is supporting SMEs within food systems. As of May 2021, the programme has provided over 100 SMEs with the emergency financial support of USD 5,000–15,000 for operating capital (covering items such as salaries, rent, transportation and sales) across Kenya, Tanzania, Nigeria, Bangladesh, Pakistan, Mozambique and Ethiopia. Twenty-five of these businesses are from Kenya. The programme is also providing direct food assistance to vulnerable workers and sensitizing businesses on the workers' vulnerabilities and actions that can be taken in supply chains. As of 10 May 2021, the Mastercard Foundation MSME

⁵⁴ http://www.xinhuanet.com/english/2021-01/29/c_139707722.htm

⁵⁵ <https://tmgthinktank.medium.com/covid-19-and-the-evolving-face-of-urban-farming-in-nairobi-b4f4fc19119>

⁵⁶ <https://www.mdpi.com/2071-1050/13/3/1325/htm>

⁵⁷ <https://documents1.worldbank.org/curated/en/43496161772887975/pdf/Socioeconomic-Impacts-of-COVID-19-in-Kenya.pdf>

⁵⁸ https://reliefweb.int/sites/reliefweb.int/files/resources/KENYA_Food_Security_Outlook_February%202021_Final.pdf

⁵⁹ <https://www.afro.who.int/news/kenya-third-wave-response-time-synergize-and-re-energize>

⁶⁰ <https://www.standardmedia.co.ke/ktnnews/ktn-prime/video/2000209294/should-the-gov-t-issue-a-stimulus-package-to-cushion-kenyans-against-the-third-wave-frontrow>

⁶¹ <https://kilimo.go.ke/principal-secretary-prof-hamadi-boga-this-morning-flagged-off-seeds-and-seedlings-to-small-scale-irrigation-and-value-addition-project-sivap-counties/>

⁶² <https://www.dlapiper.com/en/us/insights/publications/2021/04/africa-connected-issue-6/open-banking-in-africa-after-covid19/>

COVID-19 Recovery and Resilience Programme, in partnership with the Kenya National Chamber of Commerce and Industry and Women Work Network and Kenya Private Sector Alliance, has benefited 101 MSMEs with a total of over KES 40 million (USD 370,748) in the form of interest-free, collateral-free short-term loans. The goal of the programme is to support women- and youth-led MSMEs that find it difficult to access finance from formal lending institutions.^{63,64}

UN, World Bank, Development organisations and other Multinationals

On 17 May 2021, IMF staff and Kenyan authorities concluded the first review of a 38-month Extended Fund Facility and Extended Credit Facility financed programme.⁶⁵ Kenya would have access to about USD 410 million in financing to support the next phase of the authorities' COVID-19 response and their plan to reduce debt vulnerabilities while safeguarding resources to protect vulnerable groups. Although the fund was approved, many Kenyans did not support it because of growing frustration with the debt burden and corruption.⁶⁶ In May 2021, the World Bank partnered with 15 AgTech start-ups to facilitate the delivery of inputs, soil testing, crop insurance and other services, aiming to ensure food security in Kenya and help rural farmers overcome temporary COVID-19-related constraints.⁶⁷

7 CONCLUSION

This report on the ongoing impacts of COVID-19 on Kenya's food system indicated that year-on-year **food inflation rates** declined between January 2021 and April 2021 due to several reasons, including reduced demand because of COVID-19 induced economic contractions and adequate domestic and trade stocks of staple cereals. As of May 2021, nutritious **food shortages** differ between counties, with the highest incidence in Wajir, Meru and Bomet and the lowest in Turkana, Nakuru and Kericho. **Food SMEs** have continued to experience **poor profit margins and declines in sales** across the country due to uncertainty caused by pandemic-control measures. The purchasing power of urban poor and rural consumers has consistently declined because of the impact of the third wave of COVID-19; however, many are engaging in local income-generating activities to meet their basic needs. Limited direct support was put in place by the Kenyan government for consumers during the third wave. **Infrastructural support**, such as open banking (which is in view) and Kenya's Post-COVID-19 industrial recovery programme, were aimed at cushioning the effects of COVID-19 on the food system and improving food security. Several support programmes for vulnerable households and affected SMEs from local private companies and multinationals have also been launched. As of 10 May 2021, however, less than 1 million Kenyans had received a COVID-19 vaccine—compared to a population of 52 million.⁶⁸

⁶³ <https://www.cardno.com/projects/mastercard-foundation-covid-19-recovery-and-resilience-programme/>

⁶⁴ <https://kepsa.or.ke/msme-covid-19-resilience-and-recovery-program/>

⁶⁵ <https://www.imf.org/en/News/Articles/2021/05/17/pr21133-kenya-imf-reaches-staff-level-agreement-on-the-first-review-of-the-eff-and-ecf>

⁶⁶ <https://qz.com/africa/2001988/why-kenyans-are-refusing-the-imfs-billions/>

⁶⁷ <https://www.worldbank.org/en/news/factsheet/2020/06/02/world-banks-response-to-covid-19-coronavirus-in-africa>

⁶⁸ <https://www.gavi.org/vaccineswork/kenya-completes-its-first-round-covid-19-vaccinations>