THE IMPACT OF COVID-19 ON THE AGRICULTURE SECTOR AND THE FOOD SUPPLY CHAIN

By The DEPARTMENT OF AGRICULTURE SABAH
INTRODUCTION

- Sabah’s economy dependent on the primary sector associated with agriculture, oil & gas industries as well as tourism.
- Agriculture sector contributed 18 per cent of Sabah’s GDP which is largely oil palm.
- The Control Movement Order (MCO), has a great impact on the Agriculture sector.
INTRODUCTION

- The MCO affecting the whole agricultural activities including food supply chain
- All factories, shops, restaurants, hotels, supermarket closed.
- Plantation is abandoned without worker
- As everyone confined in the house, farmers unable to do farm work
- No harvesting
- No buyer
- Logistics issue – no ship/ air cargo/ land transport
Coronavirus: Travel restrictions, border shutdowns by country

Countries around the world have taken drastic measures, including border closures, in an attempt to curb COVID-19.

Countries around the world are increasingly adopting sweeping measures, including full lockdowns, shutting down airports, imposing travel restrictions and completely sealing their borders, to contain the new coronavirus.

The spread of the virus has been labelled a pandemic by the World Health Organization (WHO).

Thousands of flights have been cancelled worldwide as airlines struggle to cope with a slump in demand caused by the coronavirus outbreak.
Coronavirus turmoil spreads to airline cargo operations

Sonya Dowsett, Joyce Lee

MADRID/SEOUL (Reuters) - The air transport sector, already reeling from China passenger flight cancellations designed to slow the spread of coronavirus, now faces mounting freight and logistics disruption with broader repercussions at stake, economists warn.

64 global airlines have completely stopped flying scheduled flights due to travel bans, airspace closures, and low demand for travel — see the full list
Coronavirus outbreak: Measures and preventive actions by ports

Shipping accounts for 90% of the global trade ensuring steady supply of food, fuel and medicines to consumers across the world. The coronavirus infection that originated in Wuhan, Hubei, China, is threatening to disrupt this trade channel.

10 Mar 2020 | 05:20 AM UTC

Malaysia: Authorities ban entry of all cruise ships due to coronavirus March 8 /update 4

Malaysia bans entry of all cruise ships into the country due to coronavirus (COVID-19) on March 8; confirm travel itineraries

TIMEFRAME expected from 3/7/2020, 12:00 AM until 4/7/2020, 11:59 PM (Asia/Kuala_Lumpur).
COUNTRY/REGION Malaysia
Vietnam halts new rice export contracts as it reviews stocks

"This move by Vietnam is causing a lot of attention in the international market, a European rice trader said. "If food exporting countries start limiting supplies to secure their own food security this would be of very great concern."
Sabah export of agriculture produce drop 2,594 MT (RM5,227,231.00) in Mac 2020 compared to Dis. 2019

<table>
<thead>
<tr>
<th>NO</th>
<th>PRODUK</th>
<th>DIS 2019</th>
<th>JAN 2020</th>
<th>FEB 2020</th>
<th>MAC 2020</th>
<th>CATATAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>MT</td>
<td>RM</td>
<td>MT</td>
<td>RM</td>
<td>MT</td>
</tr>
<tr>
<td>1</td>
<td>Sayur sayuran</td>
<td>2,728</td>
<td>5,867,928</td>
<td>2,652</td>
<td>5,704,452</td>
<td>2,345</td>
</tr>
<tr>
<td>2</td>
<td>Buah buahan</td>
<td>1,720</td>
<td>2,714,160</td>
<td>1,393</td>
<td>2,198,154</td>
<td>1,425</td>
</tr>
<tr>
<td>3</td>
<td>Kelapa</td>
<td>192</td>
<td>193,344</td>
<td>182</td>
<td>183,274</td>
<td>160</td>
</tr>
<tr>
<td>4</td>
<td>Baja</td>
<td>605</td>
<td>1,512,500</td>
<td>610</td>
<td>1,525,000</td>
<td>350</td>
</tr>
<tr>
<td>JUMLAH</td>
<td></td>
<td>5,245</td>
<td>10,287,932</td>
<td>4,837</td>
<td>9,510,860</td>
<td>4,280</td>
</tr>
</tbody>
</table>

Jumlah Ekspor Dis 2019 - Mac 2020 = 17,013 MT / RM33,288,378.00
FOOD SUPPLY CHAIN DISRUPTION

- The food supply chain is a complex network covering production, processing, distribution, retailing and consumption.

- So far - no incidence of food shortage since the start of MCO until now (August)

- The hurdle – access to the supply?

- On the supply side – MCO limits the access to marketing & access to get the inputs (seeds, fertilizers, chemicals etc.)

- Perishable and fresh produce such as vegetables were more affected, resulting in increased levels of post-harvest lost (PHL) and food waste.
Dumping of unsold farm produce
On the demand side, at the beginning of the outbreak, the market observed a significant rise in the demand of food, especially our neighbouring country, Brunei Darussalam.

Our local supplier /exporter facing trouble in delivering their agriculture produce as they have to pass through Sarawak then to Brunei and have to undergo 14 days self-quarantine.
Sarawak bans inter-district travel to curb spread of Covid-19 pandemic

Sunday, 29 Mar 2020 07:16 PM MYT
BY SULOK TAWIE

KUCHING, March 29 — Sarawak Disaster Management Committee (SDMC) today banned inter-district travel as seven districts have been declared as red zones and another six others as yellow zones, in a move to further strengthen measures to curb the spread of the coronavirus disease (Covid-19) in the state.

Its chairman Datuk Amar Douglas Uggah said anyone with valid reasons who want to travel from one district to another must obtain permits from the district offices.

He said only those with emergency cases will be allowed to travel between one district to another.

“The districts which have been declared as red zones are Kuching (with 69 positive cases), Samarahan (16), Betong (8), Sarakei (6), Bintulu (5), Miri (9) and Limbang (6),” he told reporters after chairing the SDMC meeting here.
Export of Fruits & Vegetables to Brunei & Sarawak

Loading & unloading at the border

Brunei importer unable to collect import items – appoint Sarawak transporter
1. **Supporting farmers in producing and marketing farm produce:**

   - The Department of Agriculture Sabah (DOA Sabah) through its Ministry of Agriculture and Food Industry (MAFI) initiated a meetings and engagement with Federal Agriculture Marketing Authority (FAMA), Rural Development Corporation (KPD), exporter and forwarding agent to find solution on how to help farmers to market their produce.

   - This has led to the decision by the State Government to allocate six collection centre in identified districts for long term solution.
Sabah unveils second COVID-19 aid package worth RM240 mil

The Chief Minister said assistance would also be provided to the agriculture sector towards expanding economic opportunities in agrofood, including an allocation of RM25 million for interest-free loans to the target group, with the first repayment to be made in January 2021 and the final in December the same year.

“Apart from that, RM13.21 million will be allocated to build six collection and marketing agricultural produce centres, namely in Sipitang, Keningau, Kota Marudu, Lahad Datu, Kundasang, Ranau and Telupid,” he said, adding that RM21.15 million would be set aside to enhance capacity and upgrade marketing facilities and logistics at Sabah Fish Marketing Sdn Bhd.

KOTA KINABALU (June 18): The Sabah Government has unveiled the second phase of its COVID-19 Aid Package themed “Sabah New Deal” worth RM240 million to reactivate, rejuvenate and revitalise the State’s economy that had been impacted by the COVID-19 pandemic.

Chief Minister Datuk Seri Mohd Shafie Apdal said the allocation, which was an extension of phase one of the aid package worth RM670 million announced on March 25, was aimed at empowering the State’s digital economy.

In total, the amount set aside by the State Government for the two packages is RM910 million.
PROPOSED RECOVERY MEASURES/ RESPONSES REQUIRED

- As a quick solution, FAMA and KPD has been assisting in buying farmers produce and sell them to the consumer in town areas which has less access to the products.

- DOA Sabah through its Plant Biosecurity and Quarantine Section facilitate the export of fresh vegetables and fruits to Brunei Darussalam, Sarawak and Peninsular Malaysia.

- The export was done by our private exporter as well as FAMA.
Sabah vegetables for Kuala Lumpur market soon, says state Agriculture Minister

KOTA KINABALU: Sabah is expected to export some 35 tonnes of highland vegetables to markets in Kuala Lumpur with smoother transportation of goods out of the Kundasang district.
2. **Digital agriculture solutions:**

- Applying digital technologies can assist farmers.
- Technologies that link farmers to buyers and logistics services can help minimise the impact of the pandemic on the supply chain.
- In addition, digital technologies will enable us to understand more clearly the impact of the pandemic on agricultural production, labour availability, input supply and logistics.
- For instance, applying remote-sensing tools combined with machine learning can help map disruptions in crop production. Data collection using mobile apps and social media can be deployed to monitor the how farmers and consumers are affected.
DOA Sabah is working towards digitalization of services through Smart Tani portal.

initiated on 2\textsuperscript{nd} April 2020 - an online survey to get feedback from farmers

There are about 898 respondent received throughout the survey done from 02 April – 08 Mei 2020

Portal was connected to the COVID19 Command Centre (kpdnhep.sabah.digital/pemantauan-panic-buying/).

Connecting farmers (producers) to the buyers (Supermarkets, Restaurants, Exporters, Consumers)
Currently, DOA Sabah is expanding its digital services which includes

i. Agriculture Land Use and Resources Management (ALaRM),

ii. e-Pest & Disease,

iii. Agric Service (Khidmat Tani),

iv. Statistical System (Sistem Perangkaan) and

v. Paddy Plowing Subsidy (Subsidi Pembajakan Sawah Padi).

The portal is schedule to be launch by our right honourable Care Taker (former Chief Minister) Datuk Seri Panglima Hj. Mohd. Shafie Bin Hj. Apdal on 08 September 2020.
Portal Smart Tani Sabah

Untuk Kegunaan Kakitangan Sahaja

ALaRM

e-PEST & DISEASE

KHIDMAT TANI

SISTEM PERANGKAAN

SUBSIDI PEMBAJAKAN SAWAH PADI

Hakcipta Terpelihara © Jabatan Pertanian Sabah 2020
3. **Agri-food E-commerce:**

- Empowering e-commerce in agribusiness is another path to take, to facilitates trade, reduces transportation risks and allows access to the market.
- The government has allocated RM40 million to help SMEs in the agriculture sector to sell their products on e-commerce platforms and reach a larger pool of consumers.
- Smallholder farmers will need special help to market their products through e-commerce.
4. **Public-private partnerships:**

- Public-private partnerships and investments in existing agricultural technology programmes can ease the management of Covid-19.
- The strengths of the public and private sectors can complement each other by providing information and advisory services that address the needs of key players in the food supply chain.
5. **Price control:**

- It is also important that food prices and markets are properly monitored, and information transparently disseminated.
- The more reliable the information about government policies and actions are concerning the food supply chain,
- the less the risks are for public panic and social unrest.
6. **Food banks and community-based groups:**

- We need to have food banks especially rice.
- As rice is our staple food and we consume daily, sufficient reserve for at least one year is required.
- Food banks are a good means for securing food.
- The delivery of secured and protected in-kind food assistance and protection kits to the most vulnerable, such as the elderly, persons with chronic illnesses, poor, etc. should be encouraged.
7. **Big-data platform:**

- It is also important that the movement of agricultural products across the state is properly monitored.
- Big-data platforms can link the main elements in the agricultural product supply chain to enhance circulation efficiency.
- The big data shall includes volume, variety and velocity.
- Combination of big-data platforms with e-commerce will bring additional benefits.