

# PLAAS POLICY BRIEF 59: TANZANIAN FOOD PRODUCERS, VENDORS AND TRADERS NEED DIRECT RELIEF MEASURES IN THE FACE OF THE COVID-19

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**AFRICAN**  
FOOD SYSTEMS

## POLICY BRIEF

### Tanzanian food producers, vendors and traders need direct relief measures in the face of the Covid-19

This brief is based on research conducted among food traders in nine key markets in three regions of Tanzania.

#### Key messages

- Tanzania's responses to Covid-19 pandemic have shifted over time. An initial ambiguous position refrained from imposing hard lockdown restrictions measures and focused on local remedies. In the second year of the pandemic, and under new political leadership, this has given way to the promotion of a national vaccination programme.
- Despite the absence of any significant hard lockdown measures in the country, Tanzania's food producers, vendors and traders faced disrupted domestic food markets and were locked out of the regional market. As a result, these food-system actors incurred significant business losses during the two first waves of the pandemic.
- Although food producers, vendors and traders play a central role in sustaining national food security their interests have not been properly considered in the development and implementation of official Covid-19 relief measures.
- Women and youth constitute the majority of food system actors, including in the production and trade of food, and were thus disproportionately harmed by the disruption of the system.
- The Covid-19 pandemic has revealed the fragility of regional and international trade frameworks and the critical need for top-level diplomatic and political solutions to strengthen national and African food systems and the livelihoods of food system actors in Tanzania and the continent more broadly.



Photo: fruit seller at Mabibo Market, Dar es Salaam, Tanzania (ESAFF 2020)

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## The research

The study sought to explore the impact on food traders' business enterprises during the pandemic and the strategies they employed to cope.

### Food markets in Dar, Mwanza and Arusha

The research targeted food markets and other food outlets at Mabibo, Kivukoni Ferry and Temeke Stereo in Dar es Salaam; Kirumba, Buhongwa and Kiloleli in Mwanza; and Tengeru, Central "Soko kuu" and Kilombero in Arusha. Traders and vendors at these markets sell a range of food products including fresh produce, fruit, grain, fish, and spices. Research was also conducted at selected street stalls or "Viosks", supermarkets and fast-food outlets.

### Interviews and sampling

Respondents included food traders with small and medium-sized businesses, as well as supermarket and food market administrators. A total of 136 food traders were interviewed ensuring appropriate gender and age representation among the sample.

**Fig. 1:** Research sites in Dar es Salaam, Mwanza and Arusha



Photo: fish seller at Ferry Market, Tanzania (ESAFF 2020)

## Context

Tanzania's initial Covid-19 response in March 2020 included a ban on political, social and community gatherings and tough restrictions on domestic and international flights. These measures, however, were to prove short-lived, as the government lifted them in June 2020.

### A minimalist response

The government's approach to handling the Covid-19 pandemic at this time was to try and contain the coronavirus while minimising any harmful socio-economic impacts. The main thrust of the response was to ensure that the national economy did not collapse and that construction of strategic infrastructure such as railways, roads and hydropower projects continued.

### No lockdown

Due to the difficulties of implementing physical-distancing measures in highly congested informal settlements, the government refused to impose a lockdown, although this has been widely accepted as an effective measure for containing the spread of the virus. The government also argued that it could not afford to stop people from working since it lacked the resources required to provide basic incomes, food and other necessities for the population.<sup>1</sup>

### Producers assured of ready markets

The late president John Magufuli, who led the country during the first year of the pandemic, encouraged local food producers to increase production, assuring them that there were no plans to impose a lockdown and that they would have ready markets for their outputs in neighbouring countries which, by contrast, were in lockdown.<sup>2</sup>

### Border closures

However, the producers found themselves unable to trade when neighboring countries instituted border restrictions. For example, maize and onion traders in northern Tanzania were unable to access Kenyan markets due to bureaucratic Covid-19 testing processes on both sides of the border which hindered traffic. The government in Nairobi also stopped importing maize from Tanzania, until President Samia Hassan, who took office in March 2021, made an official visit to Kenya and resolved the issue.<sup>3</sup>

## Financial reforms

Meanwhile, in an effort to mitigate Covid-19 impacts on livelihoods and the economy, the government focused on adjusting financial sector regulations. Between May and June 2020, the Bank of Tanzania (BOT) reduced the statutory minimum reserves (SMR) that should be held by banks from 7% to 6% and increased the daily transaction limits for mobile money operators in a bid to promote non-cash payments and decongest public spaces, including at banks.<sup>4</sup> BOT also further reduced the SMR for banks extending credit to the agriculture sector and introduced a special loan with only 3% interest which banks and other financial institutions were encouraged to offer to the private sector.<sup>5</sup>

### IMF loan

In addition, the government later secured a US\$567.25 million loan from the International Monetary Fund (IMF) to address urgent humanitarian, Covid-19 health and economic costs.<sup>6</sup> The biggest share of this fund was allocated to the health sector and it remains unclear how much of it may be allocated to food producers, traders and vendors.



Photo: food seller at Buhongwa market, Mwanza, Tanzania (EMEDO 2020)

## Findings

Covid-19 and government measures to control the pandemic impacted on food traders in a number of different ways; and they adopted various strategies in response.

### Coping and adaptation

Some sought merely to cope with the pandemic, while others were more innovative and sought to take advantage of emerging opportunities. For example, many traders responded to rising demand for food items such as ginger, lemons and garlic which had been promoted by government officials as boosting immunity.<sup>7</sup>

### Cereals and horticulture were hit hard

However, while these traders benefitted, those trading cereal and horticulture products lost out as access to domestic and international markets was restricted.<sup>8</sup> Indeed, the disruption to international trade systems undermined not only the business model for individual traders, but the health of the broader economy at the community and national levels.

### Absence of a social safety net

In the absence of an effective social safety net provided by the government, traders were forced to adopt risk-sharing strategies to mitigate the effects of the pandemic on their livelihoods. In this regard, they increased their reliance on informal networks, underscoring the importance of social capital in enhancing resilience in times of crisis.<sup>9</sup>

## Way forward

**Public investments** in agriculture and the food system need to be strengthened to ensure food producers, vendors and traders supply enough food at all times, even in a crisis, and to produce a well-functioning, resilient food system.

**Regulatory frameworks**, including measures to contain the pandemic, needs to be informed by food actors' needs and priorities.

**Response measures** should focus on cushioning food system actors against pandemic-related shocks. They should also incentivise and upscale innovative approaches such as the digital and online technologies that have been increasingly used by traders and food buyers during the pandemic.

**Further research** is needed to continue assessing food traders' experiences and responses to the Covid-19 pandemic and to inform post-pandemic recovery efforts and the establishment of coherent policy interventions that can enhance the system's resilience.

## Recommendations

1. Stakeholders should view the challenges that have arisen in relation to regional trade under Covid-19 as an opportunity to improve coordination in Eastern and Southern Africa. To this end, the government should address outstanding infrastructural, monetary and political barriers so that African populations who are socially, culturally and economically interconnected can benefit by sharing resources and capacity across national borders.
2. The government should direct women and youth sensitive stimulus packages to the food producers, traders and vendors who have been most affected by the pandemic. Such funding should also be directed to support food-system infrastructure so that it may be more resilient in the event of a fourth wave or future pandemics.
3. All stakeholders must invest in participatory urban planning to meet the needs and priorities of food traders and vendors and provide operational safety during pandemics such as Covid-19.
4. All stakeholders need to support, improve and upscale the innovative approaches such as digital platforms that have been adopted by food producers, traders and vendors during the pandemic to ensure the adoption of sustainable approaches, to improve production and business efficiency, and to increase incomes.
5. The government should engage in high-level diplomacy in a timely fashion to address international trade spats ignited by the pandemic and other crises in order to mitigate the impacts of these on the national food system and the food trade.
6. The government should revisit the allocation of the economic recovery fund to ensure that small food traders and processors are fully and meaningfully engaged and receive benefit in the form of rescue packages that can sustain their businesses.

## Endnotes

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Photo: Anna Mkumbo, project officer at EMEDO, conducting a food diary during field research at Buhongwa Market, Mwanza, Tanzania (EMEDO 2021)

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## About this research

This policy brief is an output of a three-country study in Ghana, Tanzania and South Africa on 'The impacts of Covid-19 responses on the political economy of African food systems'. To learn more about this project, visit its page here: <https://www.plaas.org.za/african-food-systems-and-covid-19/>

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