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“The impact of Covid-19 on food security in Indonesia”

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Keynote Speaker:

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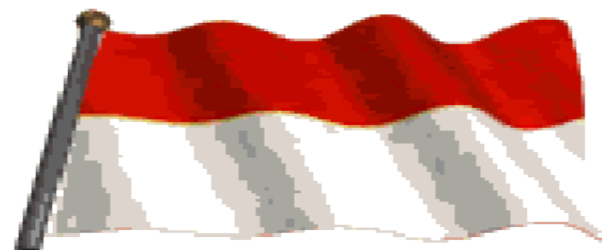


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ABSTRACT

The outbreak Corona Virus Disease 2019 (Covid-19) started in Tiongkok, especially in Wuhan City in 2019 and spread to all over the world. There were at least 199 countries that were infected and hit Indonesia since March 2, 2020 in Jakarta, has potential adverse effects on food security conditions and local food systems and their ability to provide affordable and nutritious food to meet existing demands of food supply for Indonesians. As in other countries, Covid-19 has created pressure on Indonesia's food security through decreased income and reduced access, as well as increased transaction costs and uncertainty in the country's food system. The effect of Covid-19 on food security concerns various actors in the food system, different food commodities, and multiple aspects, including availability, access, and nutrition. On the demand side, Covid-19 threatens food security through its adverse effects on employment and poverty, as well as nutrition and health outcomes. The Covid-19 pandemic could affect Indonesia's food security by disrupting food distribution, increasing transaction costs, and lowering the purchasing power of both rural and urban households. Looking at the price, while there are impacts on both supply and demand, demand might be a more significant concern for food security as it cases continue to increase and prolong the economic downturn. On the supply side, there were some disruptions in the availability of certain food items, such as sugar and onion, causing price increases early in the pandemic, which has since eased as the government allowed more imports. Food stock and production for major food items should be sufficient to meet demand, though some commodities such as sugar, beef, and garlic require imports. Despite the late harvest season last year, full-year rice production in 2020 was marginally higher than in 2019. This year, the harvest season has shifted back to Q1 2021, resulting in a 52% increase in production compared to Q1 2020. While there have been some disruptions in the food supply chain, they generally have had limited effects on food supplies. In general, Indonesia's food supply is robust, with the food insecurity issue being more about access and affordability. On the demand side, food security is threatened by income shocks and purchasing power decline due to the pandemic's effect on the economy. The poverty rate increased to 10.2% in September 2020, up from 9.8% in March 2020. This represented an addition of 1.13 million people below the poverty line, following a 1.63 million increase in March 2020 from September 2019. The unemployment rate also increased to 7.1% in August 2020, up from 4.9% in February 2020. Although unemployment fell in February 2021, it remained 1.32 percentage points above the pre-pandemic level. Households in Indonesia are eating less during the Covid-19 pandemic, as of October 2020, for example, only 24% of households reported eating as much as they should in the last week, while 12.6% of over 12,000 families in Indonesia were struggling to feed their families. This condition is also reflected by the pattern of food and beverages consumption in GDP by expenditure, which dipped in Q2 2020 and has not yet recovered to the pre-pandemic level (Figure 1). In terms of distribution, the pandemic is likely to affect food security very differently across Indonesian households. Generally speaking, poorer households on the lower end of the income distribution are more vulnerable to the loss of income, business or employment during the pandemic, both in rural and urban areas. 70.5% of families from the lowest income group (less than Rp1.8 million) had a decrease in income, compared to only 30–47% for higher income groups.

BIOGRAPHY

Mariana Nenobais is an associate professor at Department of Animal Science, Faculty of Animal Science, University of Nusa Cendana, Kupang, Indonesia. She has published many scientific papers, included she has participated as a “Keynote Speaker” in the 2nd - 3rd International Conference, Veterinary and Livestock in Goa, India, March 19-20, October 4-5 2021



INTRODUCTION

The outbreak Corona Virus Disease 2019 (Covid-19) started in Tiongkok, especially in Wuhan City in 2019 and spread to all over the world. There were at least 199 countries that were infected and hit Indonesia since March 2, 2020 in Jakarta, has potential adverse effects on food security conditions and local food systems and their ability to provide affordable and nutritious food to meet existing demands of food supply for Indonesians.

As in other countries, Covid-19 has created pressure on Indonesia's food security through decreased income and reduced access, as well as increased transaction costs and uncertainty in the country's food system. The effect of Covid-19 on food security concerns various actors in the food system, different food commodities, and multiple aspects, including availability, access, and nutrition.

On the demand side, Covid-19 threatens food security through its adverse effects on employment and poverty, as well as nutrition and health outcomes. The Covid-19 pandemic could affect Indonesia's food security by disrupting food distribution, increasing transaction costs, and lowering the purchasing power of both rural and urban households. Looking at the price, while there are impacts on both supply and demand, demand might be a more significant concern for food security as it cases continue to increase and prolong the economic downturn.

IMPACT OF COVID-19 ON INDONESIA'S FOOD SUPPLY

On the supply side, there were some disruptions in the availability of certain food items, such as sugar and onion, causing price increases early in the pandemic, which has since eased as the government allowed more imports. Food stock and production for major food items should be sufficient to meet demand, though some commodities such as sugar, beef, and garlic require imports. Despite the late harvest season last year, full-year rice production in 2020 was marginally higher than in 2019.

This year, the harvest season has shifted back to Q1 2021, resulting in a 52% increase in production compared to Q1 2020. While there have been some disruptions in the food supply chain, they generally have had limited effects on food supplies.

In general, Indonesia's food supply is robust, with the food insecurity issue being more about access and affordability. On the demand side, food security is threatened by income shocks and purchasing power decline due to the pandemic's effect on the economy. The poverty rate increased to 10.2% in September 2020, up from 9.8% in March 2020.

THE PATTERN OF FOOD AND BEVERAGES IN GDP BY EXPENDITURE

This represented an addition of 1.13 million people below the poverty line, following a 1.63 million increase in March 2020 from September 2019. The unemployment rate also increased to 7.1% in August 2020, up from 4.9% in February 2020. Although unemployment fell in February 2021, it remained 1.32 percentage points above the pre-pandemic level. Households in Indonesia are eating less during the Covid-19 pandemic, as of October 2020, for example, only 24% of households reported eating as much as they should in the last week, while 12.6% of over 12,000 families in Indonesia were struggling to feed their families. This condition is also reflected by the pattern of food and beverages consumption in GDP by expenditure, which dipped in Q2 2020 and has not yet recovered to the pre-pandemic level (**Figure 1**).

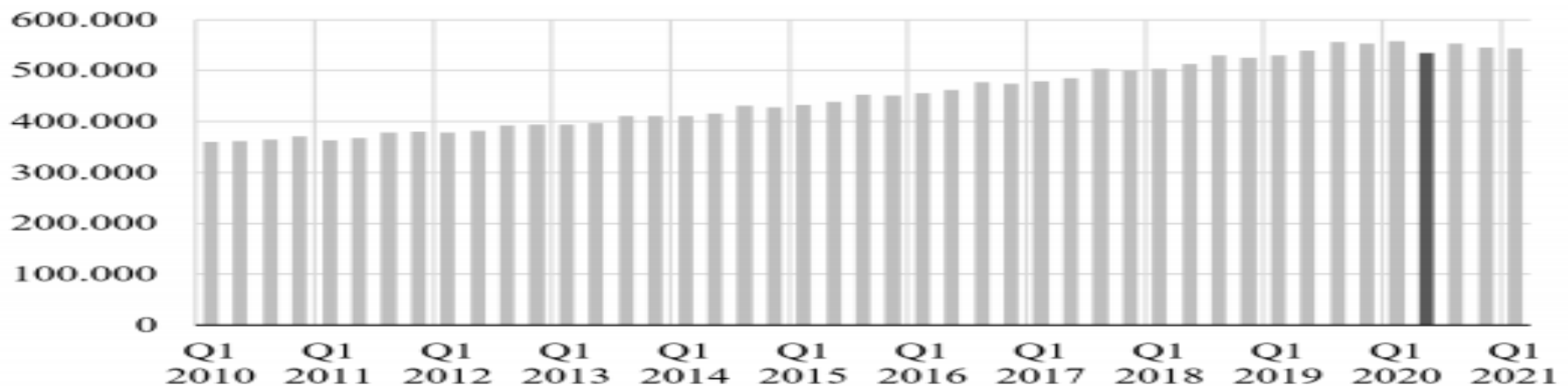


Figure 1. GDP by Expenditure: Food and Beverages, Other than Restaurant (Constant 2010 IDR Billion)[1]

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CONCLUSIONS

- ✓ Covid-19 threatens food security through its adverse effects on employment and poverty, as well as nutrition and health outcomes. The Covid-19 pandemic could affect Indonesia's food security by disrupting food distribution, increasing transaction costs, and lowering the purchasing power of both rural and urban households. Looking at the price, while there are impacts on both supply and demand, demand might be a more significant concern for food security as it cases continue to increase and prolong the economic downturn.
- ✓ Indonesia's food supply is robust, with the food insecurity issue being more about access and affordability. On the demand side, food security is threatened by income shocks and purchasing power decline due to the pandemic's effect on the economy. The poverty rate increased to 10.2% in September 2020, up from 9.8% in March 2020



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Thank You
("Terima kasih")