

Policy Brief

Organic Versus Conventional Farmer Crisis Responses

Implications under Covid and Russia-Ukraine War

The case of Morocco

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The impact of the COVID-19 Pandemic on Organic and Conventional Farmers and Mitigation Strategies in Africa assessment was initiated by Biovision Africa Trust in eleven countries in Africa, including Morocco.

Abstract

The impact of the COVID-19 pandemic on organic and conventional farmers and mitigation strategies in Africa assessment was initiated by Biovision Africa Trust in eleven countries in Africa, including Morocco. A cross-sectional design and a mixed research approach guided by participatory tools and techniques for data collection were employed. Though the pandemic was first detected in Morocco on the 2nd March 2020, it took an average of 90-180 days (April-June) for the socio-economic impact to start being felt within 46% of the households. The government waited for 17 days to elapse before they declared containment measures leading to COVID-19 cases escalations. The use of television and radio as the media through which most of the population received the initial information about COVID-19 was relevant, with the background that 51% of the respondents could not read or write.

80% of the producers reported a loss of income, of which 81% were conventional and 77% were organic producers, indicating the susceptibility of conventional farmers to the pandemic shock. The reduction in income by a margin of 20% was mainly due to poor access to extension services, by 29%, poor access to inputs by 31% while 33% reported post-harvest losses. 36% of producers facing input access challenges copped through staggering, stockpiling, and reducing the rate of application to limited access to inputs, while radio, television and mobile phones came in handy to 27%, 16% and 7% of producers in access to extension information. A reduction in orders was reported by 77% of traders, 62% reported inability to deliver existing orders, 54% reported disruption of transport, 46% reported an increase in the cost of transport and 62% reported delayed payment or payment default by the customers. These were the major challenges affecting traders, leading to a 32% reduction in incomes. In response, 85% of the traders reduced their operational time, 77% increased the use of the telephone to reach customers and 54% diversified their businesses to other products.

The establishment of the Economic Watch Committee (CVE) to take lead in mitigating the economic and social impacts of the pandemic was a great idea. Businesses received tax deferments, while employed benefited from an interest-free loan of up to USD 1500. Those whose incomes were issued with cash transfers ranging from USD 80 to USD 120.

The study recommends (1) the need for concerted efforts to promote organic products through the Morocco association of organic production chain Value (AMABIO) in collaboration with the government to increase the area under organic production through policy and advocacy at the National and regional level. (2) promotion and establishment of policies for the implementation of digital marketplace and blended extension delivery services as a blend to face-to-face extension, while promoting marketplace integration. (3) Establishment of structures and policy framework as part of an early warning system to build resilience against future pandemics within 90-180 days of the announcement of the initial case will be important.



BIOVISION Africa Trust (BvAT) initiated a study to assess the “Impact of Covid-19 Pandemic on Organic and Conventional Farmers and Mitigation Strategies in Africa” between October and December 2021. Morocco was one of the countries selected to participate in this study. Qualitative data was collected through the application of the Participatory Rural Appraisal (PRA) methodology. This study employed a cross-sectional design and a mixed research approach guided by participatory tools and techniques for data collection, targeting both organic and conventional vegetable producers in Marrakech and Agadir. In total, 45 households and 13 traders were interviewed. Two Focused Group Discussions (FGDs) and 11 Key Informants Interviews were conducted. 8,817 hectares are under organic products in Morocco, contributing less than 1% of Africa’s area under this production system, with the participation of only 277 farmers.

In March 2020, the Moroccan Government issued a state of emergency and lockdown across the country to limit the spread of the virus, enforced by the armed forces¹. The Ministry of Interior informed Moroccan citizens that they could not go out to public spaces without authorization from local authorities and were required to fill out an “exceptional movement permit” before leaving their homes to go to work, buy groceries and medicine, or receive medical care. The upper house of the Moroccan Parliament on 8th March 2020 approved Law 2.20.292 on Morocco’s state of emergency. The law imposes penalties against persons violating the state of emergency with one to three months imprisonment and a fine of 300–1,300 Moroccan dirhams (about US\$30–132)².

These measures helped mitigate the public health threat, but many economic, social and health sectors were severely affected³. The unemployment rate in Morocco jumped from 10.5% in the first quarter of 2020 to 12.5% in the first quarter of 2021. Roughly, 600,000 jobs were lost across all sectors and provinces, affecting mostly agricultural workers⁴. The percentage of people living in poverty increased from 3.3% in 2020 to 3.6% in 2021 to 3.6% in 2021.

Demographic characteristics

The majority of the households were headed by a male, as represented by 73%, who were in the 31-65 age cohort. Only 18% were in the 19-30 age cohort, indicating low youth participation in agriculture. The study observed that no youth was participating in organic production systems, with the majority of the participants being male. There were a higher number of respondents, 51%, who could not read and write. This indicated their inability to understand the COVID-19 awareness messages such as posters on COVID-19 and other guidelines on the pandemic. The media outreach was therefore very important for the population in Morocco.

COVID-19 Pandemic in Morocco

Morocco, a middle-income developing country, remains the second most affected country by COVID-19 in Africa, after South Africa, and one of the most affected in the Near East and North Africa (NENA) region. As of 24th October 2021, 944,076 individuals had tested positive for COVID-19, with 14,606 casualties⁵. 21 million Morocco had received COVID-19 vaccinations, which was 59% of the total country's population. The majority of the Moroccan, 93%, were aware of the pandemic in the first quarter of 2020 (January-March). This coincided with the time the first case of the disease was reported by the government on 2nd March 2020, and the subsequent government action on 20th March 2020 by declaring a state of emergency by the Ministry of Interior. The study observed a relationship between the time the first case was announced, the population awareness level and the time the households started feeling the negative social-economic impact of the pandemic. 46% of households were negatively impacted by the pandemic within the first 90 Days, post-announcement of the first case. The early announcement even before the 1st case is announced and building resilience within the 90-180 days post-announcement has the potential to reduce the impact of pandemics.

The majority of the producers initially got the information about the pandemic through television, radio, social media and their neighbours, as reported by 100%, 82%, 64% and 51% respectively. Among the public health measures, washing hands was the most adopted public health practice, done by all households, followed by avoiding handshake by 98% and avoiding gathering by 96%. This indicates the success of the information dissemination methodology during the pandemic. The study observed that awareness of the availability of COVID-19 was high, 100% among the producers. Vaccination uptake was also very high, with 80% having been vaccinated compared to 64% in Egypt.

¹DEHBI, S. and SEBBAR, A. 2021. *Social and economic impact of the COVID-19 crisis in Morocco*

²Morocco World News. *COVID-19: Morocco Declares State of Emergency*. (2020).

³OECD. *The COVID-19 Crisis in Morocco*. Paris (2020).

⁴OECD. 2020. *Impact of COVID19 in Morocco*.

⁵WHO Coronavirus Disease (COVID-19) Dashboard. Morocco (2021).

Impact of COVID-19 on the livelihood sources

Though the announcement of COVID-19 containment measures such as restriction of movement, lockdown and other public health measures by the Government of Morocco was a noble move, it negatively impacted agricultural production systems. These included access to inputs, markets and agricultural extension services. 80% of Morocco compared to 62% of Egyptians reported a loss of income with 81% being conventional and 77% being organic producing households indicating the susceptibility of conventional farmers to agricultural shocks. Part of the resilience-building mechanism is in the adoption of climate-resilient organic production technologies. While 35% had adopted at least 11 technologies, with the most adopted technology being minimum tillage by 90%, compared to compost use by 84% and crop rotation by 77% of producers, the adoption rate among the conventional producers was lower, at 20% compared to 31% organic producers. Overall, the producers reported a 20% reduction in overall household income compared to 29% in Egypt as a result of containment measures. No significant difference in income reduction among the organic and conventional producers was observed.

Impact of COVID-19 on access to extension services

The prohibition on public gatherings hindered the provision of adequate agricultural extension services such as farmer training, field visits, field schools and district agricultural shows. Access to extension services was a challenge to 29% of the organic and conventional farming households, with extension services targeting crop production affecting 27% of households, compared to 18% in the livestock sector. Even though the agricultural sector was later categorized as essential, the extension staff were fearing for their lives thus hampering the effective delivery of their services. Access to information from the radio and television was the alternative source for such services for 27%, while 16% relied on neighbours, while 7% relied on mobile phones. There is a need for the government to invest in digital extension systems to blend face-to-face extension. This will require investment in a stable telecommunication network in partnership with the private sector. With over 40% unable to read and write, investment in adult education, while at the same time promoting mixed training methodologies (demonstrations, field days and workshop based) should be promoted. Voice-over digital Agri-tip content dissemination via mobile phones needs to be promoted.

Access to inputs

Access to farm inputs was a challenge to 31% of the households, compared to 46% in Egypt. The Moroccan Government improved the resilience among the farmers through the provision of subsidies on agricultural production inputs such as drip irrigation and provided subsidies for the creation of a packing station reserved for organic production. They created a website reserved for organic associations and cooperatives to promote their productions (Kil in Sidi Abdellah Ghayat, Morocco). Focused Group Discussions with farmers in Sidi Abdellah Ghayat, Morocco, confirmed that the government provided subsidies for materials and packaging, and logistics, for products such as fertilizers and agrochemicals, which stabilized input prices and therefore they did not see any change in prices. The cessation in the movement was a limiting factor among 57% of producers, while 36% could not access inputs due to lockdown as the input delivery systems to their locations were interrupted. High prices impeded 50% of the producers, due to reduced disposable incomes at the household level.

In response to reduced access to inputs due to cessation in movement and lockdown, producers started staggering the use of inputs, stockpiling, reducing the rate of application and substitution with other inputs that they normally do not use, applied by 36% of producers. While stockpiling was necessary and important for future use as they project reduced supply, other coping strategies meant crops and livestock were not receiving the right input based on quantity and at the right time during growth and development, leading to reduced yields. Fertilizer was the scarcest product, affecting 71% of the producers, compared to 91% in Egypt. Poor access to pesticides affected 43% of the households. Lack of seed affected 29% of the producers. Poor access to fertilizer was due to cessation in air and water travel gave that this product comes out of the country. Morocco's national airline, Royal Air Maroc (RAM) suspended all domestic and international flights, from March 22nd 2020⁶.

Impact of COVID-19 on post-harvest losses

Post-harvest losses were reported by 33% of the producers, with pest infestation reported by 53% of the producers, while the loss in product quality (colour and physical characteristics) due to longer storage, and poor transportation was reported by 80% of the producers. Poor access to labour was the main reason for high levels of post-harvest losses, as mentioned by 93% of the producers, followed by travel restrictions and cessation in movement that affected 80% of the producers, compared to 11% in Egypt. The unemployment rate in Morocco jumped from 10.5% in the first quarter of 2020 to 12.5% in the first quarter of 2021. Roughly, 600,000 jobs were lost across all sectors and provinces, affecting mostly agricultural workers⁷.

Impact of COVID-19 on food security

Food demand and therefore food security was affected due to movement constraints, low purchasing power due to reduced gross household income and impact on the food system⁸. 38% of the households, compared to the continent average of 58% of households with food insecurity, faced difficulties in accessing food for their household members, during the period between January and August 2021) compared to the same period in 2019. The ban on public gatherings and restricted wet markets, compromised household food security. Poor access to food among families was mainly attributed to the financial constraints as a result of reduced income by 20%, reduced disposable income to purchase diverse food types and also due to the increase in food prices caused by the lockdown.

Impact of COVID-19 on trade

The majority of the traders, 92% were dealing in agricultural-related products, of which 39% dealt with organic products, compared to 81% in Egypt, indicating the level of organic product trade in Morocco. Of the majority of the traders, 62% have been in business for more than 10 years compared to 25% in Egypt. Among the trader respondents, most of them, 92% were male, with the majority of traders, both male and female aged 31-65 years, represented by 92%, while those above 65 years were 8%.

Traders faced several challenges that affected their operations, which led to a 32% reduction in income, compared to 25% in Egypt between January – June 2020 and a similar period in 2021. These challenges included a reduction of orders/reduced sales /number of customers, affecting 77%; Inability to deliver existing orders to customers/distribution channels reported affecting 62%; disruption of transport/Export logistics affected 54%, and an increase in the cost of transport/flight affected 46% and delayed payment by customers/payment default by customers that affected 62% of the traders.

As part of the adaptation to the impact, 85% compared to 83% in Egypt reduced their operational time due to curfews and lockdowns. 77% of the traders increased their use of the telephone to reach customers, while 54% diversified their businesses to other products. 46% started delivering products and/or services directly to consumers to increase their sales. Some hypermarkets increased their delivery capacity and launched their e-commerce platforms for the first time. For example, Marjane, the Moroccan hypermarket, launched a delivery App and partnered with the Spanish distribution platform Glovo⁹. Carrefour, in April 2020, launched, in partnership with Jumia Food, a free home delivery service in major Moroccan cities¹⁰. Several significant hurdles that limited online shopping development were the lack of online payment systems and low Internet penetration¹¹.

The pandemic influenced the agricultural commodity marketing systems as producers were not able to move their produce to the market coupled with the closure of restaurants, hotels, schools and supermarkets that were key buyers. Food supply chains were therefore impacted, as the shutdown and closing of some stores severely disrupted the supply chain (transportation, storage, and distribution), resulting in food insufficiency in many far areas. Small-scale farmers who relied on the Meknes Annual International Agricultural Fair¹² to market their products were affected by the pandemic-related cancellation. As the fair typically accounts for around 70 per cent of the annual transactions of the country's agricultural cooperatives and associations, its annulment has resulted in catastrophic losses. A key lesson the Morocco traders have learnt from this pandemic was the need for diversifying their businesses, as mentioned by 77%, while 54% see the importance. Maintaining an efficient and ample reliable supply chain was mentioned by 62%, while 69% agreed on the importance of partnership.

⁶ONDA. Morocco Suspends all International Passenger Flights – Foreign Ministry. (2020).

⁷<https://www.statista.com/statistics/1221423/headcount-poverty-rate-in-morocco/>

⁸EJ Bilali H, Ben Hassen T, Baya Chatti C, Abouabdillah A and Alaoui SB (2021) Exploring Household Food Dynamics During the COVID-9 Pandemic in Morocco. *Front. Nutr.* 8:724803. doi: 10.3389/fnut.2021.724803

⁹Maroc Diplomatique. Glovo s'associe à Marjane pour lancer la livraison à domicile. (2020). Available online at: <https://maroc-diplomatique.net/glovo-sassocie-a-marjane-pour-lancer-la-livraison-a-domicile/> (accessed February 7, 2021).

¹⁰Tic Maroc. Confinement: Carrefour Market se lance dans la livraison à domicile. (2020). Available online at: <https://www.tic-maroc.com/2020/04/confinement-carrefour-market-se-lance-dans-la-livraison-a-domicile.html> (accessed February 7, 2021).

¹¹PPRO. Country Insight Morocco. (2018). Available online at: https://www.ppro.com/wp-content/uploads/2019/08/ppro_country_insight_Morocco.pdf (accessed February 11, 2021).

¹²Kemmas, M. (16 April 2020) 'The coronavirus blows Moroccan small-scale farmer revenues away'. Available at: <https://bit.ly/3s08Dgz> [in Arabic].

Government and development partners' responses to the pandemic

The National, and regional governments and development partners in Morocco invested significantly towards reducing the economic, social and health-related impact due to the COVID-19 pandemic, indicating positive efforts towards building resilience among the population. The government established an Economic Watch Committee (EWC) to take lead in mitigating the economic and social impacts of the pandemic. The government announced the creation of a special fund to manage the pandemic, by April 2020, valued at MAD 32 billion, about 3 billion USD, including 10 billion from the State's budget and 1.5 billion from the regions. The fund was dedicated to upgrading the health infrastructure and acquiring the necessary medical equipment and mitigating its economic and social impact. The Council of the Souss Massa Region devoted a special fund of the order of 20 million dirhams for the populations having suffered direct consequences of the epidemic and also to help hospital structures in the region. The Marrakech Safi Regional Council announced that it had mobilized 23 million DH to face the repercussions of COVID-19, including nearly 8 million DH for the purchase of food reserves for the benefit of poor families and disadvantaged people. From the development partners, the European Union offered EURO 450 million to support Morocco during the pandemic. The Arab Monetary Fund supported with \$127 million, €150 million from the French Development Agency and \$730,000 from the U.S. to help contain the pandemic. The National Institute for Solidarity with Women in Distress (INSAF)¹³ started a campaign to distribute food among the affected population. The organization also extended help to migrants, donating 4,000 packages of supplies containing thousands of masks, bleaches and soaps in Casablanca alone and 4,500 similar packages for migrants in Rabat.

To support the businesses, small businesses received tax deferrals, while both small and medium businesses were entitled to three-month loan repayment suspensions and interest-free loans. As of May 2020, 9,000 loans (the equivalent of \$370 million) were given to companies with a turnover below \$50 million. Self-employed individuals affected by the COVID-19 crisis benefitted from interest-free loans of up to USD 1,500¹⁴. The government also issued cash transfers to Moroccans who lost their incomes due to the pandemic, ranging from \$80 to \$120.

Implications of the Farmers' Resilience under Impacts of Russia and Ukraine War

The conflict between Russia and Ukraine, ranked respectively as the world's 13th and 61st largest economies by GDP, and the world's breadbasket, never comes at a good time for Morocco as a country. Morocco is heavily exposed to the indirect impacts of the war that are unfolding through commodity prices. Following on the heels of the COVID-19 pandemic and severe drought in North Africa, the Russian invasion of Ukraine – large exporters of food and, in the case of Russia, energy—inflicted increased hunger on the food insecure in Morocco – despite mitigating measures by the government¹⁵. The Morocco's government has so far successfully shielded its large poor and vulnerable population by subsidizing essential commodities, which is not sustainable in the long run. Looking to the longer term, the high costs of government subsidies highlight the need for a sustainable strategy to deal with food security. This has been recognized in the Morocco's New Development Model (April 2021), that promises to progress towards re-orienting public investment and creating incentives to improve efficiency and resilience in rain-fed agriculture and add value throughout the agri-food sector, thereby, exposing more population to the impact of the conflict. Morocco's imports of oil, gas, and coal equaled 6.4% of GDP in 2019, about twice the shares of Egypt and South Africa, which also have significant energy exports¹⁶. United States (16.5), or Saudi Arabia (16.3 percent) .

Morocco is also a large importer of cereals. Moroccan wheat imports do not depend solely on the European country, as around 20 % of imports come from the Black Sea, while the remaining 80 % are imported from other nations, including France. The cost of imported cereals as a share of GDP was 1.4% in 2019, but because of an expected bad harvest in 2022, imports could be 50% larger, or three times larger than 2021's imports. This means that the combined effect of higher oil and cereal prices could cost Morocco between 1% and 2% of national income this year, if sustained. Both Russia and Ukraine absorb only 1 percent of Morocco's exports. The exposure is higher on the imports side, as Ukraine and Russia supply about 14 and 6 percent of total grain imports, respectively. About 10 percent of Moroccan energy imports originate from Russia, well below imports from Spain (27.6 percent)¹⁹

Policy recommendations

This study will serve as a foundation for the organization and government's readiness for future shocks and pandemic occurrences. The findings will be important in future in the development of evidence-based policy and resilience-building interventions in Morocco and the NENA area as a whole during and post-pandemic recovery period. This study recommends the following policy areas.

- 01** There is a need for concerted efforts to promote organic products through the Morocco Association Of Organic Production Chain Value (AMABIO) in collaboration with the government. Among the 11 countries under this study, Morocco was eighth based on the area of under-production, above Senegal, Zimbabwe and Zambia. Progress is being made as mentioned by the Oxford Business Group analysis¹⁸, which indicated that "Morocco is working to raise the profile of its organic farming segment both at home and abroad by taking advantage of the rising demand for fresh and value-added organic products,".
- 02** Promoting the implementation of the digital marketplace and blended extension delivery services will accelerate the dissemination of agro-information, especially during lockdowns and the implementation of social distancing. This will be successful if the government partner with the private sector to expand its telecommunication network and establish online payment systems for supermarkets among other traders.
- 03** There is a need for the Government of Morocco to be swift and decisive in addressing future pandemics. Even though the government initiated several resilience-building strategies to mitigate the pandemic, the 17-day period between the first case being announced and the initiation of prevention measures gave room for the escalation of the cases making Morocco one of the leading countries in COVID-19 infection in Africa.
- 04** The establishment of structures and policy framework as part of an early warning system to build resilience against future pandemics within 90-180 days of the announcement of the initial case is critical.

¹³<https://english.alaraby.co.uk/analysis/insaf-helping-moroccos-most-vulnerable-survive-coronavirus-lockdown>

¹⁴<https://www.finances.gov.ma/En/Pages/home.aspx>

¹⁵<https://www.policycenter.ma/publications/russia-ukraine-war-and-food-security-morocco>

¹⁶https://www.policycenter.ma/sites/default/files/2022-02/PB_11-22_Dadush--.pdf

¹⁷<https://openknowledge.worldbank.org/bitstream/handle/10986/37729/IDU020d792070df4a04e830957f0f9fd56c0f71e.pdf?sequence=1&isAllowed=y>

¹⁸<https://www.moroccoworldnews.com/2021/03/337905/moroccos-expanding-organic-farming-sector>

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