

COVID-19 and the Coffee Value Chain in Angola

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**Covid-19: new challenge or new opportunity to enhance sustainability of
agricultural and fisheries value chains in EU partner countries?**

Disruptions in the VC and pathways

Country level:

Social:

- Health & Education : High impact
- Unemployment: High impact

Social unrest for the urban population

Economy:

- Oil price: High impact
- Markets: High impact (informal markets see their activities restricted)
- Transport & Logistics: Moderate impact
- Devaluation: High impact
- Inflation: High impact

Recession

Environment:

No visible impact

Coffee VC

Social:

- Health & Education: High impact
- Employment: No visible impact

Social stability for the rural population

Economy:

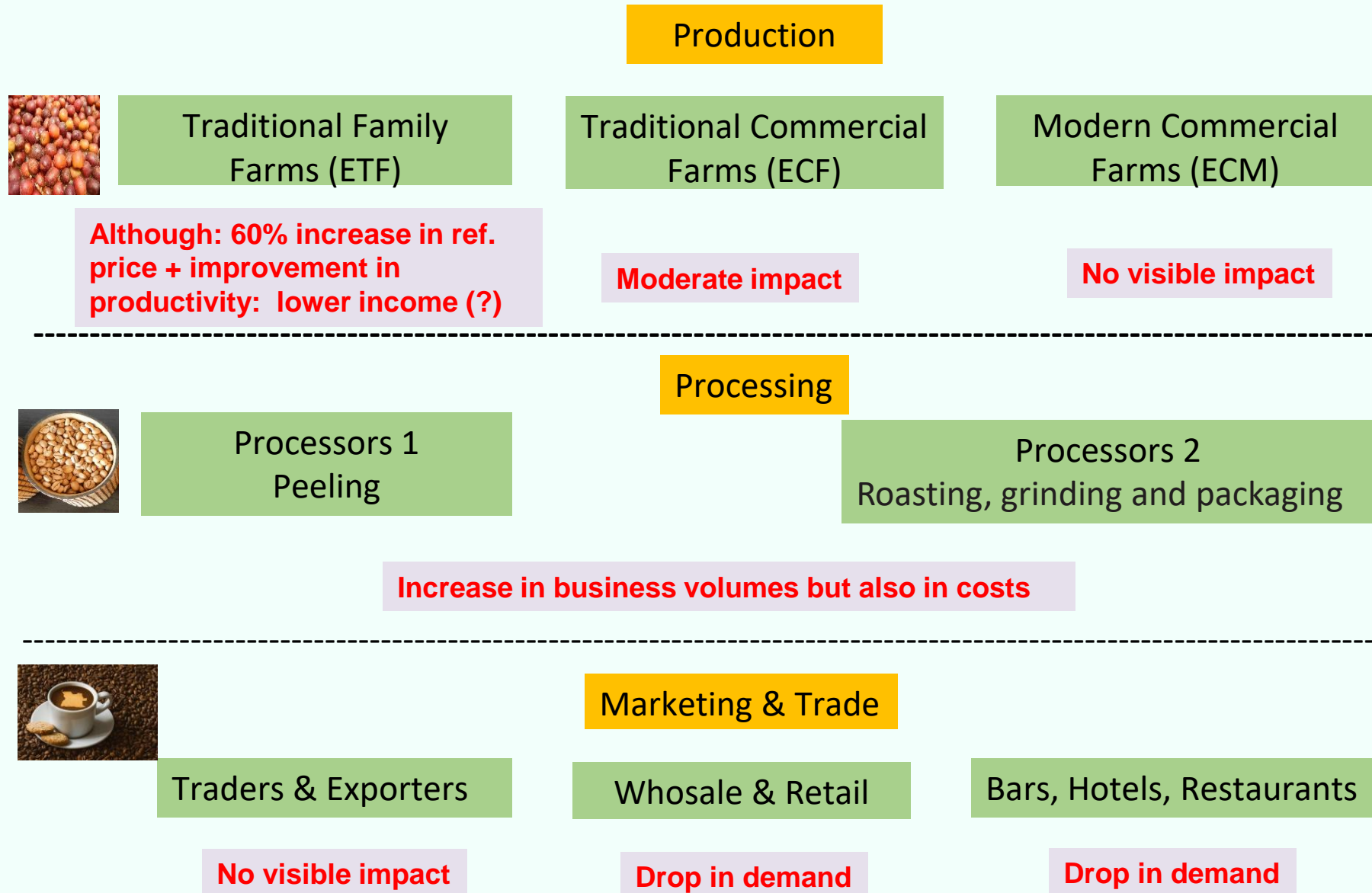
- Markets: Moderate impact
- Price improvement: High impact
- Productivity improvement: High impact
- Transport & Logistics: Moderate impact
- Devaluation: High impact
- Inflation: Moderate impact

Implications vary according to each actor (see next slide)

Environment:

No visible impact

Functions, Actors and COVID-19 impacts



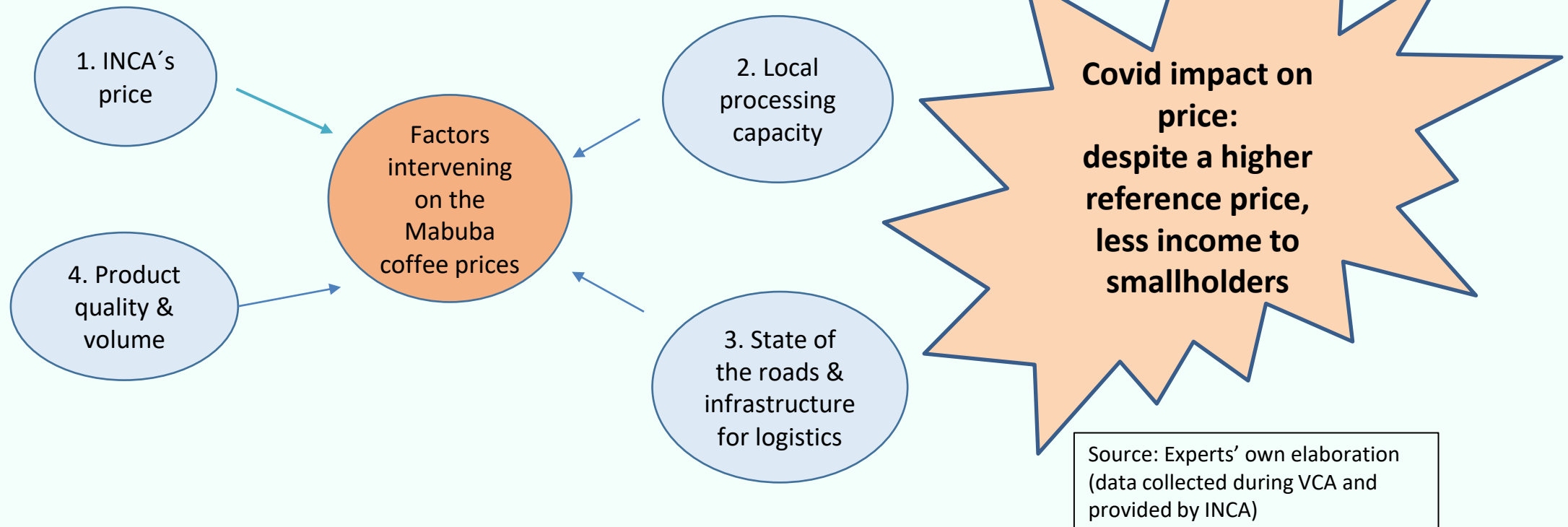
Source: Experts' elaboration

Maduba (dry coffee) prices and COVID-19 impacts

Reference price set by INCA (Angola National Institute for Coffee)

Type of producer	Price per kg 2018/19	Price per kg 2019/20
Traditional SH	120 kz/0.15€	150 kz/0.2€
Commercial SH	130 kz/0.17€	210 kz/0.27€
Modern Commercial	180 kz/0.23€	230 kz/0.3€

Reference price set by INCA per Kg	
2018/19	2019/20
120 kz/ 0.15€	200 kz/ 0.26€



Solutions undertaken effectiveness

Solutions	Effectiveness
The Agrarian Development Institute (IDA), continues to develop its outreach activities with difficulties in the different provinces of the country	Moderate Problems availability of programs
Tax moratorium of 6 payment of credits	for the “large”
Availability of credit with discounted interest Capital Fund of the A	are often out
Availability of credit 7.5% to 9% to finance	are often out
Government regulates coffee reference price at the farms’ gate (small-holders). INCA has increased from season 18-19 to 19/20 the price from 120 to 200 kz/kg	The effects vary depending on each actor

The current features of the coffee VC prevents effective results

New challenge or new opportunity?

Financial opportunity.

Angola may become the biggest beneficiary of the G20 Debt Service Suspension Initiative (DSSI) due to the impact of the Covid-19 crisis

VC opportunity.

Post Covid-19 pandemic, there may be an opportunity to identify and support the most vulnerable actors of the coffee value chain

IT opportunity.

The pandemic is already attracting investments for innovative solutions in digital communication. This has improved the communication between provincial units. They are already preparing multimedia programs to replace the field schools and organizing digital trainings for technicians

BUT,

..."all these opportunities will be of a relative low impact if the structural changes are not done" (see next slide)

Concluding remarks: lessons learned

The VCA4D on coffee in Angola presented a set of factors for the sustainability of this VC:

1. VC Strategy: Definition of a common strategy (a common **Factor for the sustainability of the VC**)
2. Data: Obtain and share, in a transparent manner, information on producers, plantations, processors and other actors (transport and processing)
3. Rural infrastructure: improvement and development, etc.
4. Role of INCA: set reference price, flow of information of the VC. **New Governance for INCA has been implemented**
5. Improve agricultural practices:
 1. Rehabilitate old plantations
 2. Improve nurseries
 3. Correct soil PH
 4. Plantations management of best practices
 5. Improve waste management
 6. Improve harvest techniques

The potential is there!!
COVID-19 can operate as a
restrictor or driver for the
VC, it all depends on “what”
the Angolan coffee wants to
be in the future