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Economic downturn during the COVID-19 pandemic among cashew-growing communities in rural Guinea-Bissau

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Abstract

How did the raw cashew market in Guinea-Bissau evolve during the COVID-19 pandemic? We report on cashew producers' sales performance between the pre-pandemic trading season in 2019 and the season in 2020. Raw cashew nut is Guinea-Bissau's largest export and a key commodity for its economy. We find that decreases in both producer prices and quantity produced resulted in a 47% decrease in producers' average revenue from cashew sales between 2019 to 2020. How did communities involved in raw cashew nut production perceive these changes? We additionally report on interviews conducted with producers and local community leaders in May 2021. Respondents perceived that the pandemic and the government mandated restrictions had a negative impacts on their communities. Almost no respondent in our sample knew of anyone contracting the virus. Most respondents reported negative changes in family's income, children's education, the affordability of food and the ability to sell agricultural products due to the pandemic and the restrictions imposed to prevent the spread of the virus. These findings illustrate the difficult decision that policymakers face when deciding on whether to impose restrictions to prevent the spread of COVID-19 in resource-constrained contexts with a relatively low rate of positive cases.

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1 Introduction

Beyond its toll on health systems and lives, the COVID-19 pandemic has disrupted economic activities worldwide. Global value chains were affected by the uncertainty and restrictions imposed by governments to reduce the spread of COVID-19 (Morton (2020); Chacha et al. (2021)). In low- and middle-income countries, suppliers of raw commodities and their communities have experienced this negative shock in 2020 (Abay et al. (2021); Egger et al. (2021); Amare et al. (2021)).

In Guinea-Bissau, the economy relies heavily on its raw cashew nut exports as a source of national income.¹ The pandemic has affected global cashew nut value chains in 2020 with world prices experiencing increased volatility relative to previous years. This volatility affected producers in countries like Guinea-Bissau, who experienced significantly lower prices for their raw cashews compared to pre-pandemic levels.

This note documents some of the changes that occurred during the COVID-19 pandemic in rural cashew-producing areas of Guinea-Bissau. It complements the previous socio-economic assessments of the pandemic (UNDP, 2020), which lacked the micro-data needed to quantify how producers' revenues changed during the pandemic. Between 2019 and 2021, we conducted repeated interviews with a randomly selected sample of cashew producers across rural Guinea-Bissau. We conducted these interviews as part of an impact evaluation of a mobile-based market information system.

In this note, we focus on two sub-samples of respondents from this impact evaluation.² First, we document the changes reported by around 600 producers, across 103 villages, that we interviewed twice, in the pre-pandemic period and again in 2021. During each of these interviews, we asked producers about their cashew sales and transactions over the previous trading seasons, in 2019 and 2020, respectively.³ Comparing these two rounds of interviews helps us understand how the market conditions changed since the onset of the pandemic and how this change affected producers' prices, their main source of income and their livelihoods.⁴

Second, we also collected information from the local leaders in the same 103 villages and an additional 185 villages that were also part our study during the in-person data-collection we conducted in 2021. We asked these respondents a set of questions designed to understand their knowledge and perceptions of the COVID-19 pandemic. We also asked this type of questions to a producer in each of the villages where our study took place.

In section 2 of this note, we leverage our novel panel dataset of cashew producers to document the changes to the national cashew market since the start of the pandemic. We document a sharp decline in prices, quantities produced, and a subsequent drop in

¹ Raw cashew nut are Guinea-Bissau's largest export and its economy is heavily reliant on its production and commercialisation. Around 40 percent of households rely directly on raw cashew nut production as a source of income.

² More details on this study and the sampling strategy adopted can be found in Álvarez Pereira et al. (2021).

³ In Guinea-Bissau, the cashew trading season starts after the beginning of the harvest, usually in March, and lasts for about four months.

⁴ We have also interviewed 1300 producers, who lived in 185 villages where we had randomly introduced a new mobile-based market information system. We do not include these producers in this note, as we analyse the impact of this intervention in a separate companion paper.

revenue from cashews sales. In section 3, we present the responses of both producers and community leaders on questions related to their perception of the pandemic and its effects on the community. These findings show that while knowledge about the disease was relatively high at the time of the interviews, there is still a non-negligible share of individuals that do not have accurate information about the spread of COVID-19.

2 Economic changes during the COVID-19 pandemic among cashew producers in Guinea-Bissau

2.1 COVID-19 in Guinea-Bissau

As of the 23rd of August 2021, almost 5% of the population (a total of 91,371 individuals) tested for COVID-19, with just 3 people out of 1,000 (5,766) testing positive. Out of these positive cases, 4,780 individuals recovered, 863 were active cases of COVID-19, and 117 individuals died due to COVID-19 (or 6 out of 100,000). 352 people were hospitalized due to the disease.⁵

The economic impact of the pandemic on the overall economy has been severe. With preventive measures taken after March 18th, 2020, to restrict the spread of COVID-19, the national authorities closed borders and non-essential services, including shops, restaurants, and bars and set strict curfews throughout the entire country, initially for 20 hours between 11 am and 7 am. The starting time of the curfews was gradually relaxed but lasted until early September 2020. Additionally, essential shops had to impose a cap on the number of simultaneous customers. Public transport was completely forbidden for some time and later resumed with reduced capacity. The disruption in public transport affected the supply of goods, services and workers' movements. Additionally, job losses and meagre cashew income affected aggregate demand. Many firms closed or reduced working hours. After five years with GDP growth around 5 percent, recent estimates place the GDP growth for 2020 at -2.4 percent (International Monetary Fund, 2021).

At the time of writing, in August 2021, Guinea-Bissau just entered a third and more severe wave of increased COVID-19 cases. However, the rest of this note focuses on data that had been collected three months before the onset of this third wave. At the time when the last round of interviews was conducted, the number of active cases in the country were low and no strict restriction to businesses or movement were in place to reduce the spread of the disease.

2.2 How did the raw cashew nut market react to the pandemic in 2020?

The global surge of COVID-19 in the first quarter of the 2020 occurred during the run-up to the cashew trading season in Guinea-Bissau, substantially affecting the market conditions due to a combination of international and local factors.

⁵ Data taken from the weekly summary of the national High Commissioner for COVID-19.

Internationally, the two largest cashew-importing countries, India and Vietnam, had already closed their borders and cashew processing plants when Guinea-Bissau confirmed its first two positive cases of COVID-19 on the 25th of March 2020. Even though demand for processed cashew remained high in the first half of 2020, this disruption in the supply chain caused a substantial slump in the international demand for raw cashew nuts. Sales in other cashew-producing countries in West Africa almost came to a complete halt, as border closures all over the world brought additional market uncertainty. Authorities in Guinea-Bissau closed air and land borders, as part of their preventive measures to reduce the spread of COVID-19. These measures prevented international and regional cashew value-chain agents, mostly buyers and intermediaries, from entering Guinea-Bissau, also reducing the influx of capital needed to buy raw cashew from producers. National travel restrictions between regions also limited the movement of seasonal workers that support the labour-intensive collection of cashew nuts.

Usually the cashew trading season in Guinea-Bissau starts in late March. In 2020, due to the restrictions imposed by the government, the official start of the season was postponed until the 27th of May.⁶

Due to liquidity needs, little bargaining power and high uncertainty many producers had to start selling their cashews before this date, at prices as low as XOF 200/kg (US\$ 0.34/kg), compared to a national average of XOF 474/kg (US\$ 0.81/kg) in 2018 and XOF 351/kg (US\$ 0.60/kg) in 2019.

However, some producers decided to postpone their planned cashew sales due to COVID-19 implications. Out of the producers that we contacted during a short phone-survey, between July and September 2020, 69 percent stated that they delayed their cashew sales against their original intentions because of the COVID-19 pandemic. Most reported that prices offers were too low, that they had difficulties in finding a buyer, or that they were worried about getting infected (see figure 1).

⁶ It is technically unlawful to sell or purchase of raw cashew nuts before the government announces the official start of the trading season.

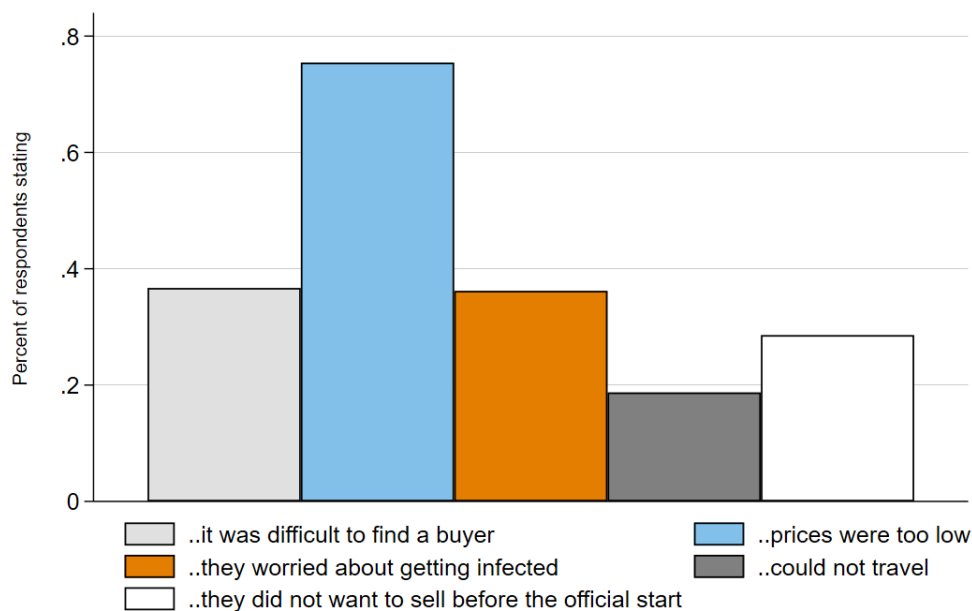


Figure 1: Reasons for delaying cashew sales in 2020

The large drops in price and in quantities of cashew nuts sold in 2020 resulted in a dramatic fall in revenue compared to previous years.

2.3 A comparison of the 2019 and 2020 trading seasons

In this section, we analysed data from the sample of producers in the 103 control villages in which we did not introduce any new market information system.⁷ We report their outcomes collected over two in-person interviews conducted between November and December 2019 and later between April and May of 2021. In those interviews, we asked producers about their cashew sales and other indicators in relation to the 2019 and 2020 trading seasons, respectively.⁸

During the first round of interviews in 2019, we had interviewed 694 producers across 103 villages. Of these, 87 producers could not be reached when we conducted the second round of in-person interviews in 2021, an attrition rate of 12 percent.

⁷ These villages were randomly chosen to be the comparison group for our impact evaluation of a market information system. We had randomly chosen them to *not* receive this intervention during 2020.

⁸ The response are unlikely to be affected by seasonality effects, despite the timing of the interviews being across the two rounds, since we asked respondents about their cashew trades during the prior trading season, which occurs around the same time each year. Concretely, during the interviews we conducted in 2021, we asked respondents about their trades in 2020. April and May are usually the first months of the cashew trading season, whereas November and December are pre-harvest months for cashew producers.

Table 1: Timing of sales in 2019 and 2020

	(1)	(2)	(3)	(4)
	2019	2020	(1) - (2) <i>p</i> -value	N
1 if sold cashews in April or before	0.20 (0.40)	0.15 (0.35)	0.05 [0.02]	521
1 if sold cashews in May	0.51 (0.50)	0.51 (0.50)	-0.00 [0.90]	521
1 if sold cashews in June	0.55 (0.50)	0.49 (0.50)	0.05 [0.07]	521
1 if sold cashews in July or later	0.19 (0.39)	0.07 (0.25)	0.12 [0.00]	521

Notes: Column 1 reports the mean in 2019. Column 2 reports the mean in 2020. Outcome variables are listed on the left. Standard deviations are reported in parentheses. Column 3 reports the difference between columns 1 and 2 and the *p*-value from a *t*-test of equality between the means between 2019 and 2020 in brackets.

In 2020 a lower percentage of producers sold any cashews in the month of April or earlier, as can be seen in table 1, relative to 2019, because of the delayed start of the official trading season. However, cashew nuts transactions still took place before the official start of the season (27th of May for 2020): 15 percent of the sample sold in the month of April or earlier, and the percentage of producers who sold in the month of May is the same in 2019 and in 2020. A lower percentage of producers sold any cashews after the month of May compared to the same period in 2019.

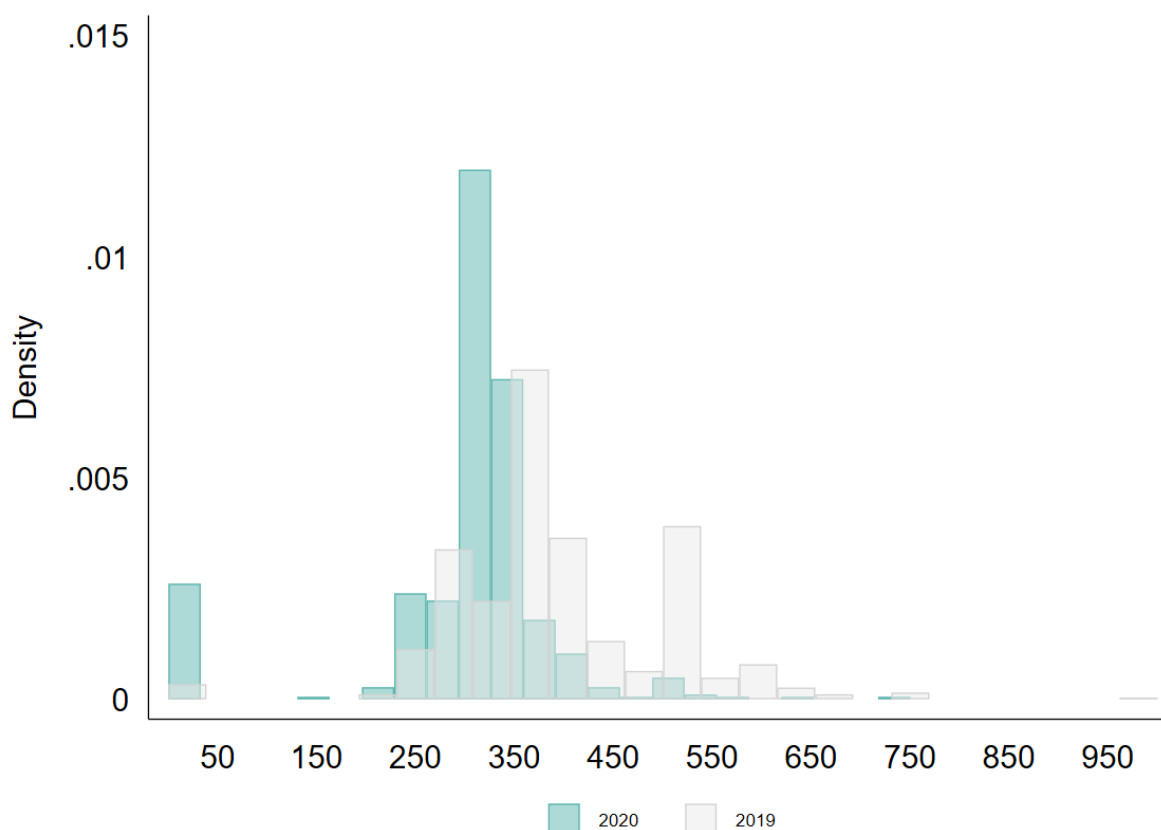


Figure 2: Histogram of average cashew prices in 2019 and 2020

The distribution of the average price received by the interviewed producers in 2020 shifted to the left in comparison to the same distribution for 2019, see figure 2. This figure shows that the prices in 2020 were more concentrated and lower on average than in 2019. We also found that the proportion of producers that made no sales at all was higher in 2020 than in 2019, as shown by the bar on the left of the histogram.⁹

In table 2 we see that the reduction in prices during the pandemic also contributed to a reduction in the revenue earned by producers relative to 2019. Average prices per kg fell by 24 percent on average between 2019 and 2020. The fall in revenue earned from cashew transactions declined even further, falling by 47 percent in relative terms since pre-pandemic levels. The drop in revenue is fully accounted for by monetary sales and from changes in the value of cashew bartered for rice.¹⁰ On the contrary, we observe that the value producers obtained from cashew exchanges was higher in 2020 relative to 2019, though far from enough to compensate the lower sales revenue, as the value of sales decreased by 50.8%.

⁹ We re-coded the price to be zero for producers that did not conduct any sales.

¹⁰ It is common for producers to barter cashew nuts for rice, especially when cashew prices fall to levels that are close to the price of rice per kg, which makes the conversion easier to process.

Table 2: Prices and revenue from sales and exchanges in 2019 and 2020

	(1)	(2)	(3)	(4)
	2019	2020	(1) - (2) <i>p</i> -value	N
Price per sale per kg	389 (104)	295 (105)	94 [0.00]	564
Value of all sales and exchanges	511,949 (880,506)	271,023 (310,374)	240,925 [0.00]	594
Value of all sales	474,793 (869,688)	233,494 (292,721)	241,298 [0.00]	564
Value of exchanges	37,939 (83,559)	52,325 (88,037)	-14,386 [0.00]	589

Notes: Column 1 reports the mean in 2019. Column 2 reports the mean in 2020. Outcome variables are listed on the left. Standard deviations are reported in parentheses. Columns 3 reports the difference between columns 1 and 2 and the *p*-value from a t-test of equality between the means between 2019 and 2020 in brackets. All values are in West African CFA.

Two patterns emerge from the comparisons across trading seasons of the quantities of cashews nuts produced and used for different purposes. First, there was a much higher quantity being produced and sold overall in 2019 than in 2020. The average production by farmer went down by 394 kg, a 27 percent average reduction from 2019 to 2020, as shown in table 3. The drop in production might be explained by worse agronomic conditions in 2020 relative to the previous year.

Second, a much higher percentage of producers exchanged cashew for rice, both on the extensive and intensive margins. On the extensive one, the percentage of farmers bartering their cashew nuts increased from 30 percent in 2019 to 56 percent in 2020. On the intensive margin, average quantity exchanged by farmers increased by 103 kg, or 91 percent in 2020 relative to 2019. As a result, the average quantity sold decreased by even more than the total quantity produced, from 1194 kg (or 81 percent of total production) to 708 kg (or 65 percent of total production). This 486 kg drop in sales represents 41 percent of the average quantity sold in 2020.

The last three rows in table 3 help us understand how producers reacted to the downturn in both cashew prices and production through either borrowing or engaging in alternative activities to diversity sources of income.

The percentage of producers receiving credit, either in money or rice, decreased from 37 percent in 2019 to 31 percent in 2020. In the same direction, the value of the loans repaid in cashews decreased from 16,294 to 12,994, but this difference is not statistically significant. The reduction in credit between 2019 and 2020 may be due to either supply-side or demand-side factors. On the demand-side, the perspective of a poor trading season reduces the expected value of cashew, which can reduce demand for credit as producers' collateral falls in value. On the supply-side, a worsening market outlook for cashew nuts can reduce the liquidity of informal loan providers in Guinea-Bissau, who

are often involved in the cashew nut value chain as either intermediaries or exporters.¹¹

Table 3: Quantities in 2019 and 2020

	(1)	(2)	(3)	(4)
	2019	2020	(1) - (2) <i>p</i> -value	N
Total quantity produced	1473 (1935)	1079 (1000)	394 [0.00]	444
Total quantity sold	1194 (1772)	708 (85)	486 [0.00]	569
1 if exchanged cashew for rice	0.30 (0.46)	0.56 (0.50)	-0.26 [0.00]	604
Total quantity exchanged	114 (248.78)	218 (323.48)	-103 [0.00]	599
1 if borrowed money or rice	0.37 (0.48)	0.31 (0.46)	0.06 [0.03]	603
Value of all loans repaid in cashews	16,295 (47,354)	12,995 (66,460)	3,300 [0.32]	602.00
1 if sells other crops	0.67 (0.47)	0.97 (0.18)	-0.30 [0.00]	607

Notes: Column 1 reports the mean in 2019. Column 2 reports the mean in 2020. Outcome variables are listed on the left. Standard deviations are reported in parentheses. Columns 3 reports the difference between columns 1 and 2 and the *p*-value from a t-test of equality between the means between 2019 and 2020 in brackets. Quantities are in metric kg and the value of loans is in West African CFA.

A higher share of producers diversified their portfolio, as a likely coping mechanism producers adopted in 2020 to deal with a worse cashew market: the percentage of farmers selling crops different from cashew increased from 67 percent in 2019 to 97 percent in 2020. This indicates an important substitution effect between cashew revenue and trading of alternative crops, at least on the extensive margin.

¹¹ Many exporters that finance loans to intermediaries and producers could not reach the country because of the closed international borders. This lack of credit was only partly relaxed by the government, which stepped in by providing a 5 billion XOF loan to national banks to finance trades after the cashew season had started.

3 How is the pandemic perceived in rural Guinea-Bissau?

To better understand the perceptions and impacts of COVID-19 among cashew producers and other members of their community, we included a COVID-19-specific module to the questionnaire we used in our 2021 in-person survey, as part of our impact evaluation of a market information system for cashew producers.

Table 4: Knowledge of COVID-19

	(1) Whole Sample	(2) Producers	(3) Village leaders	(4) Other local leaders	(5) <i>p</i> -value of (2) - (3)	(6) <i>p</i> -value of (2) - (4)	(7) <i>p</i> -value of (3) - (4)
Knows...							
...about COVID19	1.00 (0.07) [650]	0.99 (0.10) [273]	1.00 (0.00) [174]	1.00 (0.00) [203]	0.08	0.08	.
...COVID19 reached Guinea-Bissau	0.80 (0.40) [575]	0.77 (0.42) [228]	0.85 (0.36) [173]	0.78 (0.41) [174]	0.05	0.82	0.08
...that COVID19 can be present among asymptomatic cases	0.20 (0.40) [578]	0.16 (0.37) [228]	0.21 (0.41) [173]	0.25 (0.43) [177]	0.16	0.03	0.41
...that some groups are more vulnerable	0.79 (0.41) [578]	0.76 (0.43) [228]	0.79 (0.41) [173]	0.81 (0.39) [177]	0.59	0.22	0.49
...how COVID19 spreads	0.90 (0.29) [578]	0.87 (0.34) [228]	0.95 (0.22) [173]	0.91 (0.29) [177]	0.00	0.19	0.14
...that vaccines against COVID19 arrived in Guinea-Bissau	0.76 (0.42) [578]	0.75 (0.43) [228]	0.78 (0.42) [173]	0.76 (0.43) [177]	0.54	0.85	0.68
...anyone who ever tested positive for COVID19	0.06 (0.23) [53]	0.12 (0.33) [17]	0.05 (0.22) [20]	0.00 (0.00) [16]	0.48	0.16	0.37
...anyone who died because of COVID19	0.02 (0.15) [547]	0.01 (0.09) [226]	0.01 (0.08) [153]	0.04 (0.23) [168]	0.80	0.08	0.06

Notes: Column 1 reports the sample mean. Columns 2-4 report the mean by respondent type. Outcome variables are listed on the left. Standard deviations are reported in Columns 5-7 reports the *p*-value from a t-test of equality between the means of the different respondent types.

We conducted these interviews between April and May 2021, during the first weeks of the 2021 cashew marketing season. At the time of the interviews, COVID-19 vaccinations had recently started in the capital, Bissau. We also asked the same questions to a representative

of the village authority, usually the village leader.¹² In the rest of this section, we document the perspective that producers and members of their communities with a position of responsibility had of the pandemic.

In table 4, we focus on respondents' knowledge of the pandemic. Almost all respondents know about COVID-19, but there are some information gaps about the disease. 23 percent of producers did not think COVID-19 reached Guinea-Bissau. Only 16 percent of respondents knew about asymptomatic cases of COVID-19. However, more than three quarters of respondents knew how COVID-19 spread, that some groups are more vulnerable to the disease, and that vaccines arrived in Guinea-Bissau. Future information campaigns may need to focus on letting individuals know about the possibility of asymptomatic individuals spreading the disease to others. At the time of the interview, only a very small number of respondents (6 percentage points) knew anyone that had been tested for COVID-19, which is likely due to the fact that public COVID-19 testing has not taken place in most rural areas of Guinea-Bissau.

There appear to be very few differences in the knowledge about COVID-19 that producers have compared to village leaders or individuals with other public responsibilities (including a few community health workers or teachers), whom we label "Other local leaders".

Table 5: Attitudes and experience with COVID-19

	(1) Whole Sample	(2) Producers	(3) Village leaders	(4) Other local leaders	(5) <i>p</i> -value of (2) - (3)	(6) <i>p</i> -value of (2) - (4)	(7) <i>p</i> -value of (3) - (4)
1 if they...							
...were anxious at the outset of the pandemic	0.98 (0.14) [476]	0.98 (0.15) [182]	0.99 (0.11) [152]	0.97 (0.17) [142]	0.54	0.73	0.36
...are currently feeling anxious about the pandemic	0.56 (0.50) [475]	0.61 (0.49) [181]	0.51 (0.50) [152]	0.55 (0.50) [142]	0.06	0.29	0.45
...think there is no COVID19 in Guinea-Bissau	0.15 (0.36) [459]	0.22 (0.41) [176]	0.13 (0.34) [147]	0.10 (0.31) [136]	0.04	0.01	0.47
...are willing to be vaccinated	0.68 (0.50) [580]	0.65 (0.51) [230]	0.76 (0.48) [173]	0.64 (0.49) [177]	0.02	0.85	0.01

Notes: Column 1 reports the sample mean. Columns 2-4 report the mean by respondent type. Outcome variables are listed on the left. Standard deviations are reported in Columns 5-7 reports the *p*-value from a *t*-test of equality between the means of the different respondent types.

In table 5, we focus on respondents' experiences and attitudes towards the disease. Almost all producers felt anxious at the outset of the pandemic, but 38 percentage points of

¹² In some villages, where the village leader was not available, we spoke with their deputy, a family member, or other local leaders that were indicated by the village leader that gave us permission to conduct interviews. In some cases, the producers and cashew buyers to whom we had asked questions from this extra module of questions were also holding a leadership position in the community.

producers do not currently feel anxious about the pandemic. In fact, 15 percent of respondents did not think COVID-19 was still present in Guinea-Bissau, even if cases are still active according to the official sources.¹³ Like many other countries, there is skepticism towards the vaccine, as nearly 36 percent of respondents are not willing to get vaccinated, even if a vaccine was available to them.

Table 6: Perceived impact of COVID-19

	(1) Whole Sample	(2) Producers	(3) Village leaders	(4) Other local leaders	(5) <i>p</i> -value of (2) - (3)	(6) <i>p</i> -value of (2) - (4)	(7) <i>p</i> -value of (3) - (4)
Thinks that...has been negatively affected by the pandemic							
...current access to health services...	0.27 (0.45) [560]	0.30 (0.46) [216]	0.22 (0.42) [173]	0.29 (0.46) [171]	0.08	0.93	0.11
...current access to food in the village shops...	0.23 (0.42) [643]	0.23 (0.42) [267]	0.23 (0.42) [174]	0.25 (0.43) [202]	0.97	0.63	0.66
...children's education...	0.90 (0.29) [504]	0.89 (0.32) [175]	0.91 (0.29) [169]	0.92 (0.27) [160]	0.43	0.31	0.81
...ability to sell agricultural products...	0.83 (0.38) [578]	0.74 (0.44) [228]	0.90 (0.30) [173]	0.87 (0.34) [177]	0.00	0.00	0.33
...affordability of food...	0.84 (0.37) [646]	0.82 (0.38) [270]	0.89 (0.31) [174]	0.81 (0.40) [202]	0.04	0.67	0.01
...family income...	0.67 (0.47) [625]	0.48 (0.50) [253]	0.88 (0.33) [173]	0.73 (0.44) [199]	0.00	0.00	0.00

Notes: Column 1 reports the sample mean. Columns 2-4 report the mean by respondent type. Outcome variables are listed on the left. Standard deviations are reported in Columns 5-7 reports the *p*-value from a *t*-test of equality between the means of the different respondent types.

What are the perceived socio-economic effects of the pandemic perceived by producers? In table 6, we paint a broad summary of producers and community leaders' perceived impacts of the pandemic, and the government-mandated lockdowns.¹⁴ As pre-empted by the previous section, nearly half of producers report a loss in income due to the pandemic. The statistically significant differences between the producers and the community leaders (who were talking about the perception of changes in their community), suggest that cashew producers had perceived a less negative drop in income or difficulty in selling products than other members of their community. Almost 90 percent of producers with children also report that children's education has deteriorated because of the pandemic.

¹³ Producers were more likely to think that COVID-19 was not present anymore relative to village leaders or other local leaders.

¹⁴ For village leaders, the questions asked whether the changes applied to the population of their village, rather than their own household. Thus, the interpretation of the comparisons between producers is different from the previous tables.

While only 23 percentage points producers reported difficulties in accessing consumer goods for purchase, more than two thirds reported increases in the prices of goods and difficulties in the sale of their products. These responses suggest that supply chains in rural areas have been affected by the pandemic, and in particular reduced access to local markets during the government-mandate travel restrictions.

4 Conclusion

This note shows that the 2020 cashew trading season was a particularly challenging one for cashew producers. Producers' revenue fell since 2019 due to a combination of disruptions in global value chains, restrictions due to the COVID-19 pandemic, and a poor harvest.

The global surge of COVID-19 in the first quarter of the 2020 occurred during the run-up to the cashew trading season in Guinea-Bissau, substantially affecting the market conditions due to a combination of international and local factors. International demand for raw cashews dwindled in the first half of 2020, as importing countries reduced their processing capacity due to the onset of the pandemic. Nationally, transport restrictions slowed down trade. Combined, these factors delayed the start of the official trading season by nearly two months relative to the usual starting date.

In the first part of this note, we documented a 47% decrease in producers' revenues from raw cashew nuts between 2019 and 2020. We explored a number of choices producers' made alongside this large drop in revenue, such as engaging in more barter, no change in the demand for credit, and an increase in the proportion of producers selling additional agricultural crops beyond cashew nuts. In the second part of the note, we go beyond the economic impacts to document the perceptions respondents had about the pandemic. We document that the cashew producers and local leaders in their community had relatively low direct exposure to the virus, though they perceived the negative toll on various dimensions of their lives brought by the pandemic and the restrictions imposed to curb its spread.

Overall, these findings document the extent of the economic downturn experienced during the pandemic in cashew-producing communities in Guinea-Bissau. They illustrate the difficult trade-off policymakers face between economic and health outcomes in managing their response to the pandemic.

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