



Trade Hot Topics

The Russia-Ukraine Conflict: Implications for Food Security in the Commonwealth

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1. Introduction

Food security is essential for economic well-being and maintaining social and political order. The COVID-19 pandemic and associated production and supply chain disruptions, along with the effects of climate change, have triggered an increase in food prices globally. Recently, the Russia-Ukraine conflict and the disruption of supplies from the Black Sea region have increased turbulence in the global grain and edible oils markets, accentuating inflationary pressures on food prices. Besides higher prices for staple foods, sunflower oil exports from Russia and Ukraine have dried up, sending buyers scrambling for alternative sources and driving up prices.

A recent Global Report on Food Crises (Global Network Against Food Crises, 2022) finds that around 193 million people across 53 countries/territories are acutely food-insecure and in need of urgent assistance. Two Commonwealth countries, Nigeria and Pakistan, rank among the top 10 with the largest food-insecure populations, whereas Kenya is forecast to be in food crisis and to be facing critical levels of malnutrition.

International trade is an important means of accessing vital food supplies for most developed and developing countries. The value of global food trade during 2019–2021 was US\$1.6 trillion annually, almost 10 per cent of total merchandise exports. Globally, 78 countries¹ are net food-importing developing countries (NFIDCs), 32 of which are members of the Commonwealth. On average, one in six people in the world relies on imports for food security. Continued population and income increases have pushed China, Germany, Japan, the UK and the USA up the list of countries that import the most food.²

Together, the 54 Commonwealth member countries annually import food worth US\$211 billion and export food worth \$243 billion. Although Commonwealth countries as a group are net food exporters, several members are net food importers, with the share of food in merchandise imports as high as 30 per cent for some countries (see Section 2.2 for details).

This high reliance on imported food products makes these countries extremely vulnerable

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1 This list includes all 46 least developed countries (LDCs) and 32 other developing members that import basic food items (https://www.wto.org/english/thewto_e/minist_e/min96_e/netfood.htm).

2 <https://www.worldatlas.com/articles/the-countries-importing-the-most-food-in-the-world.html>

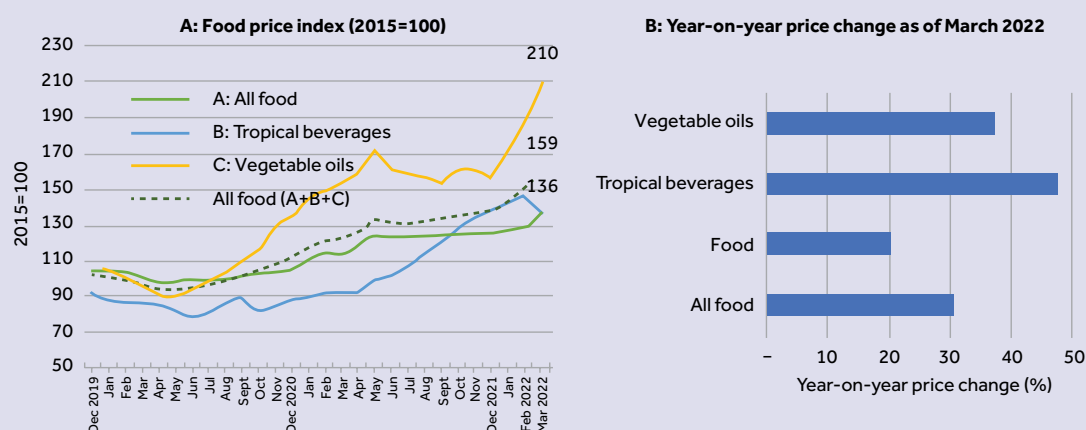
Box 1.1: Global food price hike

The COVID-19 pandemic, conflicts and climate change have triggered an increase in food prices globally. The year-on-year increase in global food prices has exceeded 50 per cent, and vegetable oils have registered the fastest growth, exacerbating food insecurity in the Commonwealth's 32 NFIDCs (Figure 1.1). The protracted war in Ukraine has accelerated these concerns, raising the risk of malnutrition in poor and vulnerable households. The war has induced key food insecurity challenges by compromising the affordability of and access to supplies, creating logistics issues and raising shipping costs, undermining critical infrastructure and generating heightened price volatility.

The food price hike will have disproportionate effects on Commonwealth vulnerable economies (small states, small island developing states (SIDS) and least developed countries (LDCs)) and poor households within various countries. Food constitutes around 20 per cent of household budgets in most developing countries, but up to 40 per cent in sub-Saharan Africa (SSA). The effects could be relatively modest for advanced economies where households generally spend relatively less – around 5 per cent – of their disposable income on food.

The rising food prices, if not checked soon, would mean a further hike in already sky-rocketing inflation, leading to lower living standards in developed countries, and famine, starvation and debt distress in the developing world (United Nations, 2022). This could spark social unrest and political crises in several countries, as recently witnessed in Sri Lanka.

Figure 1.1 Soaring food prices, December 2019–March 2022



Note: Food (A) includes cereals, sugar, fish, fruits and vegetables; tropical beverages (B) comprise coffee, tea and cocoa; vegetable oils (C) include sunflower, soybean and palm oil.

Source: Commonwealth Secretariat (calculated using data from UNCTADstat dataset).

to rising prices caused by the multiple and overlapping crises of conflicts, climate change and COVID-19. Global food prices have risen to new heights as a result of a combination of factors, notably an uneven global economic recovery from the COVID-19 pandemic and widespread supply chain disruptions (Box 1.1). Wheat prices have risen by almost 60 per cent, driven primarily by disruptions caused by the Russia–Ukraine war and in part by unfavourable weather events. This extraordinary rise in food prices will have cascading impacts on economies and societies around the Commonwealth and the world.

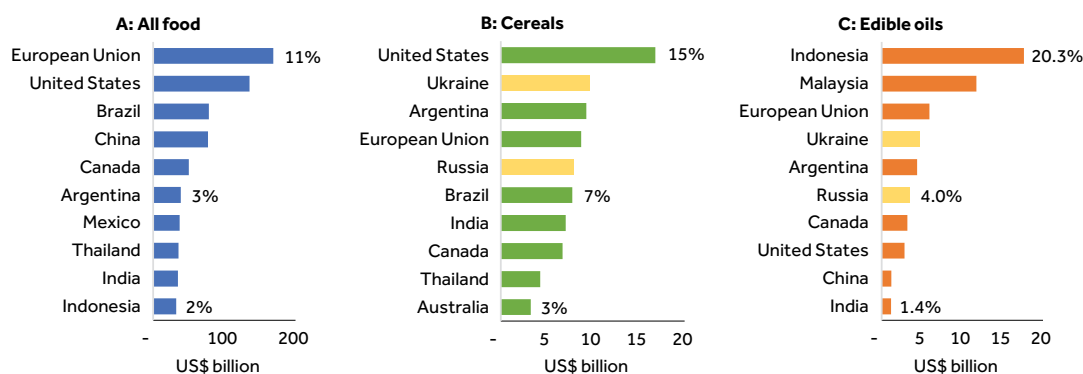
This issue of *Trade Hot Topics* examines key issues and factors driving food insecurity in the Commonwealth's 54 member countries. It explores the implications of the Russia–Ukraine conflict and other challenges in securing food supplies; and suggests policy options to mitigate this crisis in the short, medium and long terms.

2. International trade in food products

2.1 Structure of global food production and trade

Food commodities are widely traded across the globe. During 2019–2021, the annual value

Figure 2.1 Leading food, cereals and edible oil exporters globally



Note: The numbers on the bars indicate the average export share during 2019–2021.

Source: Commonwealth Secretariat (calculated using WITS dataset).

of global food exports and imports averaged around US\$1.6 trillion each. Most countries, both developed and developing, engage in two-way food trade. This pattern holds for all large food producers, including those that are members of the Commonwealth. Globally, around about two-thirds of countries import more food than they export.³

The European Union (EU)⁴ is the world’s largest food exporter, followed by the USA and Brazil (Figure 2.1). These top 10 food exporters account for about 43 per cent of world food exports and are distributed all over the globe: EU members (Germany, Netherlands, France and Spain) in Europe; Brazil and Argentina in South America; the USA, Canada and Mexico in North America; China, India, Indonesia and Thailand in Asia. However, no African countries appear on the list of these major exporters, indicating the vulnerability of this region to the disruption in food supply chains.

Cereals, edible oils and beverages are the three largest traded food groups. Cereal exports account for about 7 per cent of total food trade. In contrast to the trade pattern of most food products, the cereal trade is very concentrated, with the top 10 countries accounting for three-quarters of global exports (US\$110 billion in 2019). Around 16 per cent of global cereal exports originate from the Black Sea region, with the shares of Russia and Ukraine at 7 per cent and 9 per cent, respectively (see Section 3 for details).

Following cereals, edible oils are the second most in-demand food commodity. They constitute about 10 per cent of total food trade, with Indonesia and Malaysia being the two largest sources, accounting for one-third of global edible oil exports. Around

10 per cent of edible oil exports originate from the war-affected region (about 5 per cent each from Russia and Ukraine). In addition to basic foods (cereals and edible oils), trade in fertilisers, a key input used for food production, is also concentrated. Russia is the world’s largest fertiliser exporter and, together with Belarus, accounted for 21 per cent of global fertiliser exports in 2019 (see Section 3.1.4 for details). This could have an impact on food production, exacerbating the food crisis in the coming years.

2.2 Commonwealth countries’ reliance on food imports

Food products are a significant part of Commonwealth countries’ merchandise trade (Appendix A). In 2019, they accounted for around 14 per cent (US\$243 billion) of global food exports and a similar share of imports (\$211 billion). Two Commonwealth members, Canada and India, are among the top 10 leading global food exporters (Figure 2.2). Three members – India, Canada and Australia (in that order) – rank among the top 10 largest exporters of cereal, a sub-category of overall food trade products.

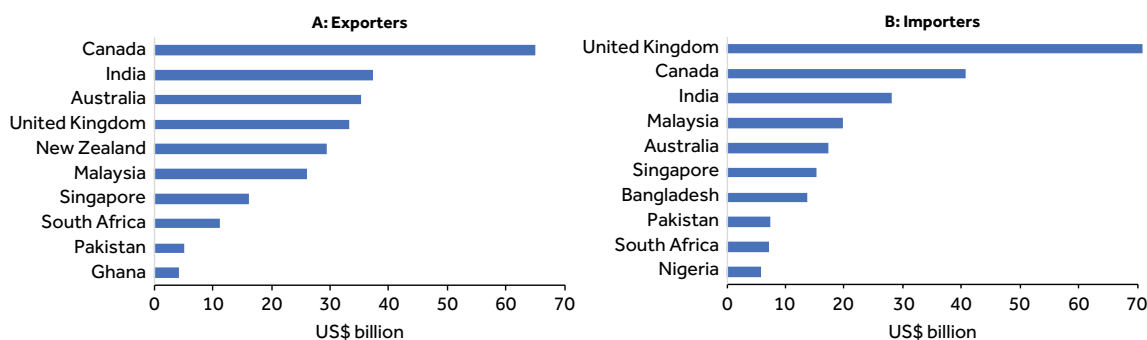
2.2.1 Leading food exporters and importers in the Commonwealth

Commonwealth countries engage in substantial food trade. Four developed country members (Canada, Australia, the UK and New Zealand) are leading traders of food products (Figure 2.2). Among Commonwealth developing countries, the four largest food exporters from Asia are India, Malaysia, Singapore and Pakistan, while in Africa the two main food exporters are South Africa and

³ In 2019, of the 152 countries for which trade data is available, 62 were net food exporters while the other 92 were net importers.

⁴ Within the EU, the largest food exporters are Netherlands, Germany, France, Spain, Italy and Belgium, in that order.

Figure 2.2 Top 10 food exporters and importers in the Commonwealth



Note: Average for 2019–2021.
Source: Commonwealth Secretariat (calculated using WITS dataset).

Ghana. The Caribbean and Pacific Commonwealth members are not large producers and traders of food products.

Most large food producers in the Commonwealth engage in two-way trade. Canada is the largest exporter as well the second largest importer of food products. Similarly, India, Pakistan, Singapore and Malaysia, among others, engage in both exporting and importing food products.

Collectively, Commonwealth countries are net food exporters (exports being greater than imports). Overall, the reliance of Commonwealth members on food imports is slightly lower than the world average,⁵ as 48 of 54 members are developing countries, with large reliance on subsistence and commercial farming.

However, the level of import reliance varies widely by region and product. For instance, the share of food in merchandise imports of 12 Commonwealth members – Cameroon, The Gambia, Lesotho, Malawi, Mauritius, Seychelles, Sierra Leone, Barbados, Grenada, Kiribati, Tonga and Vanuatu — is above 20 per cent (Appendix A).

Despite the vast size of the agriculture sector, food scarcity could have disproportionately large effects on developing Commonwealth countries. The top three net food exporters, with large export surpluses, are developed economies (Canada, New Zealand and Australia). By contrast, apart from Cyprus and the UK, all large net food importers are developing countries (Table 2.1). This large reliance on food imports makes them particularly vulnerable to rising prices.

The current food insecurity challenge could affect all Commonwealth regions as these net food importers are distributed all over the globe (Table 2.2). The effect could be severe for vulnerable economies including small states (23), LDCs (10) and SIDS (17) that are highly reliant on food imports.

2.2.2 Structure of Commonwealth countries' food imports

Commonwealth countries import all sorts of food commodities. Edible oils and cereals, the two commodities affected by the current geopolitical tensions, contribute about 16 per cent of members' total food imports. Cereal (wheat and maize) constitute a large share of most African members' food imports (Appendix A). Within the cereal products category, wheat and maize constitute about two-thirds of cereal imports whereas rice imports account for one-third (Figure 2.3).

Edible oils account for about 45 per cent of total food imports. In 2019, the value of edible oils imported by Commonwealth countries exceeded US\$21 billion, almost double the imports of cereals, and three times greater than wheat imports. The largest importers of edible oil are India, Pakistan and Tanzania, each with shares of edible oils in food imports that exceed 30 per cent.

2.2.3 Main sources of Commonwealth countries' food imports

The USA is the largest source of Commonwealth countries' food imports, followed by the EU countries (Netherlands, France, Germany and Italy), China, Indonesia and Malaysia. These

5 In 2019, food imports constituted about 8.5 per cent of the total merchandise imports of Commonwealth countries compared with a global average of about 10 per cent.

Table 2.1 Food trade balances for the top 10 net exporters and importers in the Commonwealth

Net importers	Value	Net exporters	Value
United Kingdom	-37.7	Canada	24.3
Bangladesh	-12.2	New Zealand	24.1
Nigeria	-4.1	Australia	17.9
Pakistan	-2.4	India	9.3
Cyprus	-0.9	Malaysia	6.3
Jamaica	-0.9	South Africa	4.1
Botswana	-0.8	Papua New Guinea	2.1
Mauritius	-0.6	Ghana	1.8
Brunei Darussalam	-0.5	Singapore	0.9
Trinidad and Tobago	-0.5	Kenya	0.7

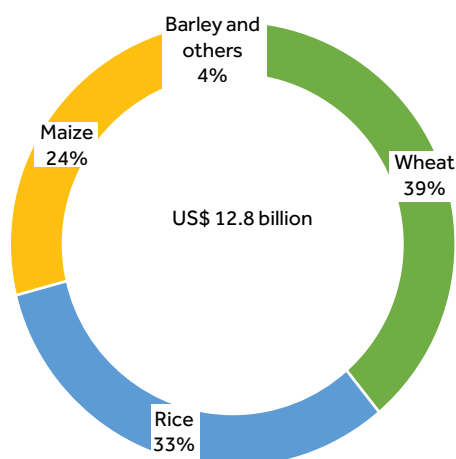
Note: A food trade balance indicates net of food export and import values in US\$ billion.
 Source: Commonwealth Secretariat (calculated using WITS dataset).

Table 2.2 Regional distribution of the Commonwealth’s net food importing members

Developed (3)	Africa (10)	Asia (4)	Caribbeans (10)	Pacific (5)
United Kingdom	Nigeria	Bangladesh	Jamaica	Samoa
Cyprus	Botswana	Pakistan	Trinidad and Tobago	Tonga
Malta	Mauritius	Brunei Darussalam	The Bahamas	Kiribati
	Lesotho	Maldives	Barbados	Vanuatu
	Sierra Leone		Antigua and Barbuda	Tuvalu
	Mozambique		St Kitts and Nevis	
	The Gambia		Grenada	
	Rwanda		Dominica	
	Zambia		St Vincent and the Grenadines	
	Cameroon		Saint Lucia	

Note: Countries sorted in order of their level of dependence on food imports.
 Source: Commonwealth Secretariat (calculated using WITS dataset).

Figure 2.3 Composition of Commonwealth countries’ cereal imports

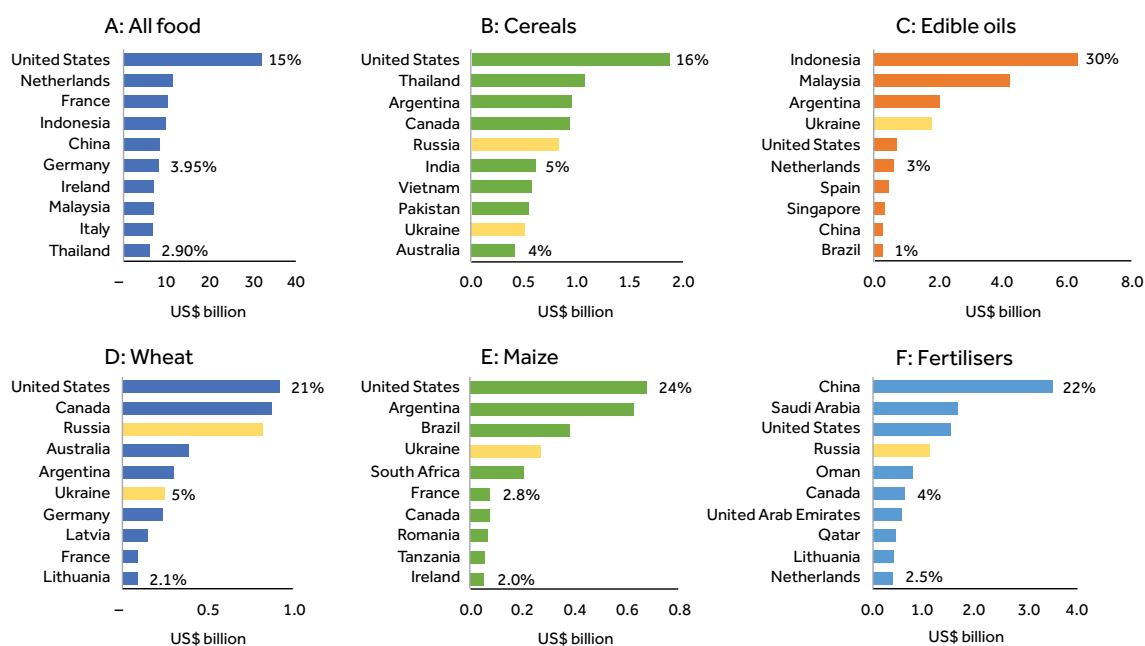


Note: Average for 2019–2021.
 Source: Commonwealth Secretariat (calculated using WITS dataset).

five countries account for about half of the Commonwealth’s total food imports (Figure 2.4). Three-quarters of edible oil is sourced from Indonesia, Malaysia, Argentina and Ukraine, while cereals are largely imported from the USA, Russia, Thailand, Canada, Argentina and Ukraine. The USA is the single largest source of cereals, besides being a leading supplier of other food products. Indonesia and Malaysia are leading suppliers of edible oils (mainly palm oil). Around 9 per cent of edible oils, mainly sunflower oil, is sourced from Ukraine (see Section 3.1 for details).

This current food crises could severely affect many Commonwealth developing countries in South Asia (Pakistan, Sri Lanka) and SSA (Lesotho, Namibia, Nigeria). The South Asian members are highly vulnerable to disruptions in food supply

Figure 2.4 Leading sources of Commonwealth countries' food and fertilisers imports



Note: The numbers on the bar indicate average export share during 2019–2021.
 Source: Commonwealth Secretariat (calculated using WITS dataset).

chains. Sri Lanka is already facing a food crisis. Pakistan is also a net importer, with a share of food in merchandise imports of about 13 per cent. India imports fertilisers (potash) from Belarus. Bangladesh is facing high shipping costs for its textiles, reducing its main source of income and, in turn, affecting its ability to purchase costly food products.

These South Asian and SSA members importing food from the Black Sea region would need to find alternative sources. Importing food from other regions increases the cost of transportation and requires longer lead times. The rising freight rates and prices of bunker fuels make food imports from longer distances unfeasible.⁶ An alternative would be to import more food from the regional sources that have a substantial export balance (Table 2.1).

This food security challenge is not specific to LDCs or small states. Many developed countries are not immune to the crisis. The UK is increasingly concerned about rising food prices if Ukraine is unable to ship wheat and cooking oil and the wheat export ban from India continues (Barns-Graham, 2022). In 2019, the UK had a net food trade deficit of around US\$40 billion, with substantial shares of wheat (23 per cent) and maize (32 per cent) in the country's cereal imports.

3. Key factors and issues driving food insecurity

Three key factors – geopolitical tensions, trade restrictions and climate change – underpin the current food crisis. The war in Ukraine has disconnected a region serving as a cheap supplier of essential staple foods. The export bans have affected the cross-border flow of food products, and rising temperatures and heatwaves have reduced agricultural production in several parts of the world. The interconnectedness and mutually reinforcing nature of these factors have several cascading effects on food insecurity and the global economy.

3.1 Implications of the Ukraine war

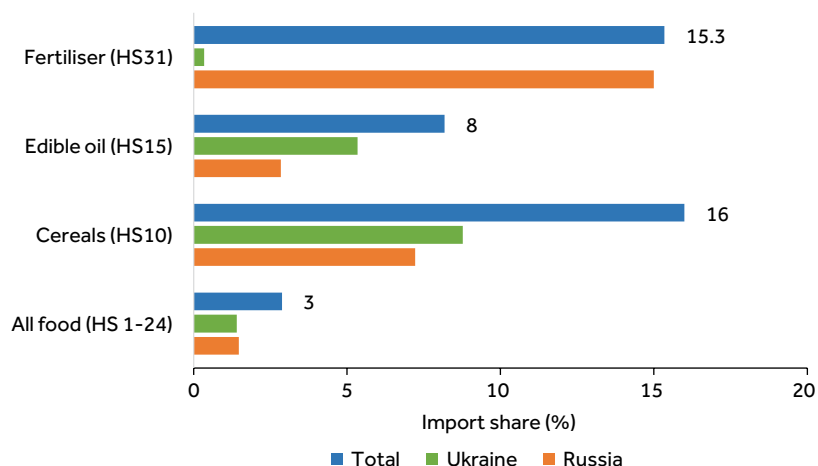
The war in Ukraine has exposed the fragility of global food supply chains, with profound consequences for food security in several Commonwealth member countries. It has reduced the supply of essential food commodities (wheat, maize and sunflower oil) by cutting off a cheap source of cereals and cooking oil. The scramble for alternative sources of staple food has led to significant price increases.

3.1.1 Food imports from the Black Sea region

Although Russia and Ukraine together account for only about 3 per cent of global food supply,

6 Fuel prices are an important component of the overall transport cost. An increase of US\$10 in fuel prices raises the transportation costs by \$3.

Figure 3.1 Global food and fertiliser imports from the war-affected region



Note: Average for 2019–2021.

Source: Commonwealth Secretariat (calculated using WITS dataset).

they are a key source of grains and edible oils (Figure 3.1). They produce 30 per cent of global wheat and 69 per cent of the world’s sunflower oil. Together, they account for about 16 per cent (or US\$18 billion) of global cereal exports (\$100 billion). The contribution of Ukraine to global cereal exports (\$10 billion) is larger than that of Russia (\$8 billion). Interruption of these supplies is creating a humanitarian crisis as the World Food Programme (WFP) feeds some 125 million people and buys around 50 per cent of its grain from Ukraine.

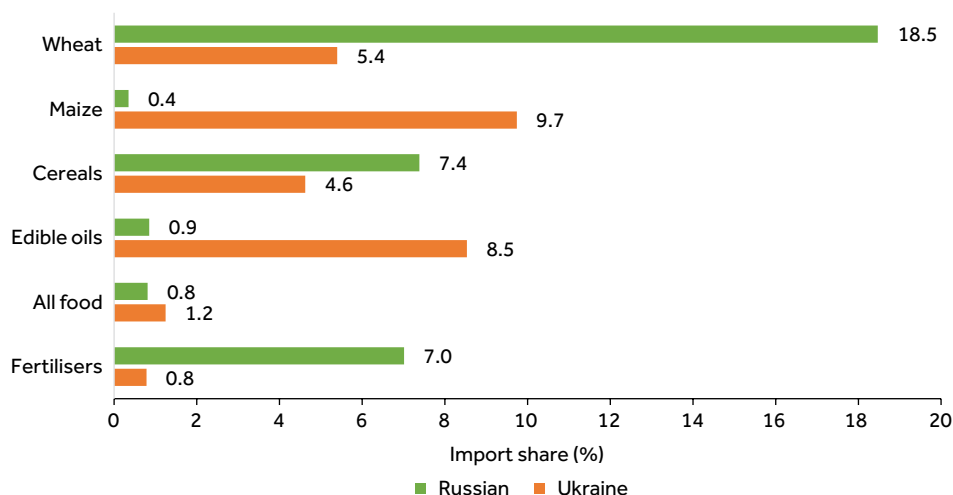
The reliance of Commonwealth countries on food imports from these two countries is slightly lower (about 2 per cent of global imports) than the world’s (3 per cent). However, this level of dependence varies across product groups (Figure 3.2).

- About 12 per cent of Commonwealth countries’ total cereal imports (US\$13 billion) originate

from Russia (\$1.5 billion or 7.5 per cent) and Ukraine (about \$1 billion or 5 per cent).

- Around 10 per cent of maize and 9 per cent of edible oils are sourced from these countries. Ukraine is the fourth largest source for both edible oils and maize (Figure 3.2).
- Dependence on this region for wheat imports is much higher than for other food products: around a quarter of wheat is sourced from these countries.
 - Russia is the third largest source of wheat (after the USA and Canada), accounting for about 18.5 per cent of Commonwealth members’ total wheat imports.
 - Ukraine’s share in Commonwealth countries’ wheat imports hovers around 5.5 per cent. It is the sixth largest source of wheat, with an annual value of imports at about US\$1 billion during the last three years.

Figure 3.2 Commonwealth countries’ food and fertiliser imports from Russia and Ukraine



Note: Average for 2019–2021.

Source: Commonwealth Secretariat (calculated using WITS dataset).

Table 3.1 Level of dependence on Russia and Ukraine for imports of basic food items

Commodity Sources	Wheat		Maize (corn)		Sunflower oil	
	Ukraine	Russia	Ukraine	Russia	Ukraine	Russia
Importers						
Guyana					83%	
India			70%		85%	9%
Namibia		48%				
Rwanda		47%				
Tanzania					82%	
Uganda	21%	28%				
United Kingdom			33%	1%		

Note: Percentage of total imports, 2019–2021 average.

Source: Commonwealth Secretariat (calculated using EIU dataset).

Overall, Commonwealth countries' relatively lesser dependence on food imports from the Black Sea region means that the indirect effects of rising food prices in other parts of the world matter more than the disruptions to supply chains in the conflict-affected region. Even so, some developing Commonwealth members are more vulnerable than others, owing to their high level of reliance on this region for staple food and sunflower (Table 3.1). For instance, Ukraine is a significant source of sunflower oil for Guyana and India, while Russia is the main source of wheat imported by Namibia and Rwanda.

In value terms, the exposure of Commonwealth countries to Russia and Ukraine for food imports is quite limited, with total annual food imports amounting to less than US\$2 billion (Appendix A). Two Asian countries, Bangladesh and India, account

for about half of these imports. Other moderately exposed countries are Nigeria, Kenya and Tanzania (Table 3.2).

3.1.2 Production challenges

The Ukraine war has severely affected the cheapest source of supplies of staple food items, accelerating an already alarming situation. Global food production is widely distributed across various geographical regions. The three main breadbasket regions of the world are the US Midwest, Brazil and the Black Sea. The Black Sea region is the cheapest source given its central location on the globe (resulting in lower trade costs), and accounts for a quarter of all wheat, barley, maize and rapeseed production, with Russia and Ukraine among the top 10 food exporters. The protracted war could hinder planting and harvesting. With war still going

Table 3.2 Reliance on Russia and Ukraine for cereals⁷ imports

Import share (%)	Imports from Russia	Imports from Ukraine
>20	Rwanda, Tanzania, Bangladesh	Bangladesh, India
10–20	Namibia, The Gambia, Malawi, Mozambique, Kenya, Cyprus, Cameroon, Uganda, Nigeria, Sri Lanka	United Kingdom, Cyprus, Dominica
5–10	Malta, Ghana, South Africa	Kenya, Uganda
0–5		Canada, Sri Lanka, Mozambique, The Gambia, South Africa, Malaysia, Tanzania, Seychelles, Nigeria

Note: Countries ranked in each band according to level of dependence on Russia/Ukraine for imported cereals. Import share indicates the contribution of Russia/Ukraine in a country's total cereal imports.

Source: Commonwealth Secretariat (calculated using WITS dataset).

⁷ <https://www.indexmundi.com/agriculture/?commodity=wheat&graph=exports>

on, only 60-70 per cent of the total sowing area can be cultivated this year, worsening grain supplies for the next year.

3.1.3 Trade disruption and logistic challenges

Ukraine was the world's sixth largest exporter of wheat in the 2020–2021 season. This year, its wheat exports are down by 47 per cent. More than 60 per cent of food shipments from Ukraine use the railway network to access seaports. Destruction of road and rail networks and blockades of ports have cut off this cheapest source of food supply. Ukraine's grain exports plummeted from 5 million tonnes a month before the start of war in February to about 1.1 million tonnes in April. Sky-rocketing freight rates and rising port congestion have increased transport costs for sourcing from other regions.

Currently, about 25 million tonnes of wheat is stored in Ukraine's silos and another harvest is ready for the next year. Inability to export would mean not only that this food would rot in the silos but also that farmers would be unable to store the harvest in the current year.

3.1.4 Access to agricultural inputs

Together, Russia and neighbouring Belarus export around a fifth of the world's fertilisers. Russia is the largest single source of nitrous and potash fertilises (Figure 3.3A); it is also the cheapest source: fertiliser prices in other regions are higher by US\$35-40 per ton. Other large fertiliser exporters are China, Canada and the EU, in that order.

Of the US\$55 billion in fertiliser imports globally, the share that Commonwealth countries import

is about 20 per cent. The Black Sea region is not their key source. In 2019, of their fertiliser imports of US\$12 billion, only around \$1.5 billion (or 13 per cent) were sourced from Russia (\$0.8 billion) and Belarus (\$0.7 billion) combined, the two large exporters of fertilisers. In value terms, India, South Africa and Sri Lanka were the largest importers, followed by Ghana and Kenya. However, in relative terms, Dominica was the most exposed, sourcing about two-thirds of its fertiliser from Russia and Belarus (Figure 3.3B). India alone accounts for one-third of Commonwealth countries' total fertiliser imports from this region, but in relative terms the share of the region in India's total fertiliser imports is around 16 per cent.

Disruption in the supply of fertilisers can shrink food production, further complicating the situation in the medium term. A shortage of fertilisers can reduce overall agricultural output by almost half, especially in countries with a large share of small farmers (Wurmser, 2022). As a result, the current market disturbances may be felt through 2023.

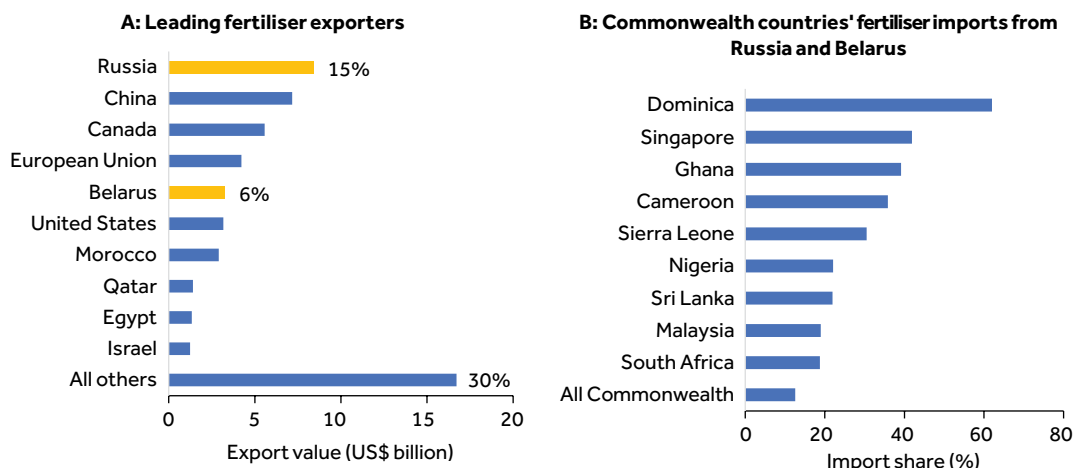
In addition to fertilisers, the price of fuel used for operating agricultural machinery, water pumps and the overall transportation network is driving up the cost of production. Unfortunately, these supply chain disruptions caused by the Russia–Ukraine war could be prolonged, and countries may struggle to find alternative sources.

3.2 Other drivers of food insecurity

3.2.1 Extreme weather and climate change

The Ukraine war is not the only issue affecting food supplies. Changing global weather patterns caused by climate change have multiple direct and

Figure 3.3 Fertiliser exports and imports



Note: The numbers on the bar indicate the average export share in 2019–2021. Source: Commonwealth Secretariat (calculated using WITS dataset).

indirect effects on food production. Increasing frequency, intensity and spread of heatwaves in South Asia (India and Pakistan), and droughts in South America (Brazil, Argentina) as well as in some parts of Canada, are significantly affecting yields in these major food-producing regions of the world (Crowe, 2022).

An ongoing heatwave is predicted to reduce the wheat harvest in India, prompting the country to impose export restrictions to meet domestic demand (see Section 3.2.3). Abnormal weather patterns are worrying farmers in Canada and the USA. Canada's wheat production and exports are estimated to rebound this year after a scorching heatwave last year but unfavourable and shifting weather patterns have prolonged planting delays in the USA, potentially affecting the wheat output for the next year (Braun, 2022). Rising temperatures in Pakistan, currently near 50°C, could risk water supply for agriculture (Ahmed,

2022). Extreme weather is also a key driver of food insecurity in Africa as it is affecting yields and output of coffee and tea in several countries (The Economist, 2022).

3.2.2 *Lingering effect of the COVID-19 pandemic*

The pandemic affected food production and trade through the movement of labour and the disruption of supply chains. It still continues to pose challenges to global agricultural and food systems. The interconnected nature of this global market means the recent lockdown in major Chinese cities like Shanghai is affecting food trade directly (by reducing shipments from the world's largest wheat producer and 12th largest wheat exporter⁸) and indirectly (through supply chain disruptions). Being the world largest producer, China plays a vital role in shaping global grain market dynamics.

The pandemic-related supply chain crunch led to a rise in freight rates globally, increasing

Box 3.1: Examples of policy responses to mitigate food insecurity

Food price inflation is soaring in many countries with weaker currencies and large reliance on food imports. The current food crisis has emerged amid the evolving dynamics of the Russia–Ukraine conflict and when the world is still reeling from the effects of the COVID-19 pandemic. The policy actions countries have adopted in response to COVID-19 provide many relevant insights, especially considering that some of the food insecurity issues predate the pandemic.

In a joint statement issued on 13 April 2022, the World Bank, the International Monetary Fund, WFP and the WTO called for co-ordinated action to help vulnerable countries address growing threats to food security. The suggested actions included providing emergency food supplies, making available financial support to households and countries, facilitating open trade, and investing in sustainable food production and nutrition security. The WTO is encouraging members not to adopt measures that restrict the export of food staples unless they face their own food security crisis, making sure that such measures are transparent, proportionate, time-bound and help mitigate a global food security crisis (WTO, 2022). The WTO is working with key market players in the global supply chain to ensure that problems and bottlenecks are identified and addressed as quickly as possible.

Country-level responses vary widely. Several governments have announced measures to limit increases in domestic prices; others have provided support to enhance food production.

- In India, women's self-help groups supported under the National Rural Livelihoods Mission run community kitchens and provide food to disadvantaged and high-risk families, while also providing financial services in rural areas.
- In Bangladesh, the Emergency Action Plan, mobilised as part of a Livestock Dairy Development Project, provides financial support to 407,000 vulnerable dairy and poultry farmers in response to the COVID-19 pandemic to support their businesses. The support includes providing farm equipment and enhanced veterinary services.
- In Sierra Leone, the Smallholder Commercialisation and Agribusiness Development Project provides farmers with inputs, land mechanisation and extension services.
- In Rwanda, the Sustainable Agricultural Intensification and Food Security Project is alleviating food insecurity brought about by the COVID-19 pandemic.

the cost of transport and raising inflation (Carriere-Swallow et al., 2022).⁹ Apart from these direct effects, the pandemic has shrunk fiscal space and increased debt distress, thereby limiting the purchasing capacity of many governments and adversely affecting food affordability for poor households.

3.2.3 Export policy responses

Export restrictions imposed by 22 countries are accentuating food shortages in several parts of the world.¹⁰ India, the second largest producer of wheat, has imposed a ban on wheat exports in response to predictions of a poor harvest caused by the ongoing heatwave. India's export ban is largely precautionary as it allows shipments under the already issued letters of credit and on country-specific requests to meet food security needs.

The recent ban on palm oil exports from Indonesia, the world's largest seller of this commodity, has worsened the supply of edible oils. Since the export ban, palm oil prices have risen to more than US\$1,700 per tonne (in May 2022), up by 70 per cent compared with the average price last year.

Export restrictions alone have added 7 percentage points to the price of wheat and risk igniting a tit-for-tat escalation (Ruta, 2022). The export bans dampen farmers' incentives to expand capacity by cutting them off from global markets. This could, in turn, undermine domestic efforts to provide adequate food supplies at affordable prices. Moreover, interventions to control prices could have major fiscal implications and may worsen global supply and demand mismatches. The World Trade Organization (WTO) and other multilateral institutions are urging members to avoid food protectionism and ensure that the export bans are proportionate, temporary and time-bound. Food supplies need to be seen as a global solidarity issue, rather than commercial ventures.

4. Way forward

The current food security challenge is multifaceted. Alongside the current geopolitical tensions, a protracted supply chain crunch, the climate change crisis and the slowdown in global growth are affecting food supplies in many Commonwealth countries. The interconnectedness of these factors is another major challenge.

The Ukraine war has had several direct and indirect effects in terms of driving food insecurity. Net food-importing countries are facing the challenges of a lack of affordability of and access to basic food supplies such as wheat, maize and edible oils. As a result of rising prices of food commodities and agricultural inputs, soaring food inflation has emerged as a key challenge. The second-order cascading effects of this conflict include high insurance premiums for transport, which are raising the cost of importation from other regions even further. As food becomes more expensive, there is less fiscal space for other productive activities and social services such as health and education.

Unfortunately, this food crisis is not expected to end soon. The outlook for global acute food insecurity in 2022 is expected to deteriorate further relative to 2021 as global wheat production is estimated to fall in 2022–2023 for the first time in four years, further tightening supply constraints and accelerating food inflation (United States Department of Agriculture, 2022). Food prices are expected to continue increasing in the near future because of the severe disruptions to grain and edible oil markets. South Asian and SSA member countries are particularly vulnerable.

The food crisis is a solvable problem but needs rapid and multifaceted responses. Multilateral co-operation on international trade is critical to addressing high food prices. Quick progress on this issue can help in enhancing food supplies, improving nutrition and meeting the targets of Sustainable Development Goal 2 to end hunger in all its forms. Countries can consider the following short-, medium- and long-term policy actions to improve food security.

4.1 Immediate and short terms

The war in Ukraine has been a tragic reminder of the key role international trade plays in fighting crises like global hunger. It is important to keep open the trade routes and ports used to transport food products. Shipping out quickly the 25 million tonnes of wheat stock held in Ukrainian silos can improve the current market situation while helping farmers store the next harvest, thereby reducing food insecurity in the coming years.

The international community has stepped up efforts to mitigate food emergencies. United

8 The cost of freight represents around 10–20 per cent of the value of goods.

9 <https://www.globaltradealert.org/latest/state-acts>

10 Cereals are classified in the Harmonised System under HS10 and includes wheat, maize and rice.

Nations Secretary-General António Guterres has established a Global Crisis Response Group on Food, Energy and Finance to co-ordinate the global response to the widespread impacts of the war in Ukraine. More needs to be done to mobilise political support to collectively address the humanitarian and developmental causes and consequences of escalating food crises. International efforts can help contain the spike in freight and logistics prices and assist vulnerable countries to strengthen social protection programmes.

In response to increasing transport costs in the wake of rising fuel prices, countries in South Asia and SSA might look to neighbouring producers, which could pick up some of the slack and potentially alleviate concerns around higher transportation costs.

4.2 Medium term

In the medium term, it is important to correct and prevent trade restrictions and distortions in world agricultural markets in accordance with multilateral trade rules. Keeping supply chains open and ceasing export restrictions can help maintain a smooth flow of food and agricultural products and mitigate crises in the short run. Avoiding panic-buying, hoarding and stockpiling can soften the current short-term global demand, increasing the buffer capacity of the global market in this time of crisis.

The WTO's 12th Ministerial Conference (MC12) has taken unprecedented decisions to help address food insecurity. Members have adopted a Declaration on the Emergency Response to Food Insecurity and a decision to not impose export prohibitions or restrictions on foodstuffs purchased for non-commercial humanitarian purposes by the World Food Programme. The ongoing discussions on agricultural reform, including negotiations for a permanent solution to public stockholding and for transparency in policy responses (e.g., export restrictions on food) to avoid unnecessary protectionism and keep supply chains open and undisrupted, can contribute to ensuring food security.

4.3 Long term

In the long term, countries need to expand their capacity to upscale production and exports. This requires ensuring access to fertilisers and other inputs to poor countries to produce for themselves. Food-exporting regions can increase support for farmers to improve productivity and increase crop yields, including by harnessing digital technologies. Governments can attempt to

diversify the sources of agricultural inputs such as fertiliser and fuels. Import-dependent economies can strive to diversify their sources of imports and consider releasing existing food stocks. Countries with large food stocks can support those in need, where possible, and reduce (or remove) the use of wheat, sunflower, maize and soyabean for biofuels.

Besides enhancing agricultural productivity and meeting shortages through trade, countries need to focus on enhancing the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers. Increasing access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition can make the food production system more inclusive, sustainable and resilient.

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Group	Country	World										Russia					Ukraine										
		Imports value (US\$ million)										Food share in merchandise					Import value (\$ million)					Import share (%)					
		Merchandise	All food	Cereals	Wheat	Maize	Edible oils	Fertilisers	Wheat share in cereals	Wheat share in cereals	Maize share in cereals	All food	Cereals	Wheat	All food	Cereals	Wheat	All food	Cereals	Wheat	All food	Cereals	Wheat	Edible oil	Maize	Edible oil	
Caribbean	Antigua and Barbuda	1,038	80	1	0.0	0.0	2.8	0.2	7.7	0.4	1.6	-	-	-	-	-	0.0	0.0	-	-	0.0	0.0	-	-	-	-	0.0
	Barbados	1,119	236	14	5.2	5.4	8.1	2.2	21.1	38.7	40.3	-	-	-	-	0.1	0.0	-	-	0.1	0.0	-	-	-	-	0.9	
	Belize	1,035	180	7	3.5	3.4	10.2	13.5	17.4	48.3	46.9	-	-	-	-	0.1	-	-	-	0.0	0.1	-	-	-	-	0.0	
	Dominica	589	33	1	-	0.0	1.2	2.9	5.7	-	2.1	-	-	-	-	0.2	0.2	-	-	0.0	0.5	16.9	-	-	-	1.1	
	Grenada	297	60	5	2.8	1.0	1.2	0.4	20.3	57.7	21.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Guyana	1,477	208	15	7.8	7.4	15.6	8.3	14.1	50.4	48.0	-	-	-	-	1.9	-	-	-	1.4	0.9	-	-	-	-	8.8	
	Jamaica	4,899	902	121	50.4	49.1	40.3	6.8	18.4	41.6	40.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Saint Lucia	1,987	94	4	1.9	0.6	4.1	1.0	4.7	42.7	12.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	St Kitts and Nevis	317	38	1	-	0.0	0.9	0.1	12.1	-	1.4	-	-	-	-	0.0	-	-	-	-	0.0	-	-	-	-	-	
	St Vincent*	288	51	10	6.5	1.5	2.3	1.0	17.7	66.9	15.7	-	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	-	0.0	
	The Bahamas	10,516	412	8	0.0	0.4	9.1	2.1	3.9	0.0	5.3	-	-	-	-	0.0	0.0	-	-	0.0	0.0	-	-	-	-	0.0	
	Trinidad and Tobago	5,541	857	60	27.3	15.6	43.1	4.4	15.5	45.2	25.8	0.2	-	-	0.0	-	-	-	-	0.5	-	-	-	-	-	-	
Pacific	Fiji	2,403	370	49	41.9	0.0	23.9	4.4	15.4	86.2	0.1	-	-	-	-	0.1	-	-	-	0.0	0.0	-	-	-	-	-	0.2
	Kiribati	95	30	3	-	0.0	0.8	0.0	31.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Nauru	93	12	0	-	-	0.1	0.0	12.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Papua New Guinea	4,510	725	145	62.2	0.4	34.2	37.3	16.1	42.9	0.3	0.0	-	-	0.0	-	-	-	-	0.5	-	-	-	-	-	-	-
	Samoa	415	92	1	0.0	0.0	2.7	0.1	22.1	0.1	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Solomon Islands	435	79	6	5.7	-	3.7	0.7	18.1	95.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tonga	164	58	0	-	0.0	1.0	0.7	35.5	-	0.1	0.0	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-
	Tuvalu	80	3	0	0.0	-	0.0	0.0	4.3	0.3	-	-	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	-	-	-
	Vanuatu	279	64	3	0.0	0.0	1.8	0.0	23.1	0.0	0.9	-	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	-	-	-
Grand total		2,549,329	210,784	12,841	5,748.6	2,578	21,200	11,741	8.3	44.8	20.1	1,851.2	1,320.3	1,311.6	0.9	10.3	22.8	2,810.5	823.2	627.7	183.6	1,687.9	1.3	6.4	10.9	7.1	8.0
					<10%	10-20%	>20%									>5%											>5%

*St Vincent and the Grenadines

Note: For Russia and Ukraine, import share computed relative to the global imports in each category. Source: Commonwealth Secretariat (calculated using WITS dataset)



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Trade Hot Topics

ISSN 2071-8527 (print) ISSN 2071-9914 (online)

Commonwealth Trade Hot Topics is a peer-reviewed publication which provides concise and informative analyses on trade and related issues, prepared both by Commonwealth Secretariat and international experts.

Series editor: Brendan Vickers

Produced by Trade, Oceans and Natural Resources Directorate of the Commonwealth Secretariat

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