



Food and Agriculture  
Organization of the  
United Nations

# **Presentation by the Director-General Meeting of the G7 Ministers of Agriculture**

Stuttgart, Germany – 13 May 2022



Food and Agriculture  
Organization of the  
United Nations

*H.E. Cem Özdemir [Germany] Excellencies,  
dear colleagues,*

## Securing Global Food Security in Times of Crisis

Qu Dongyu

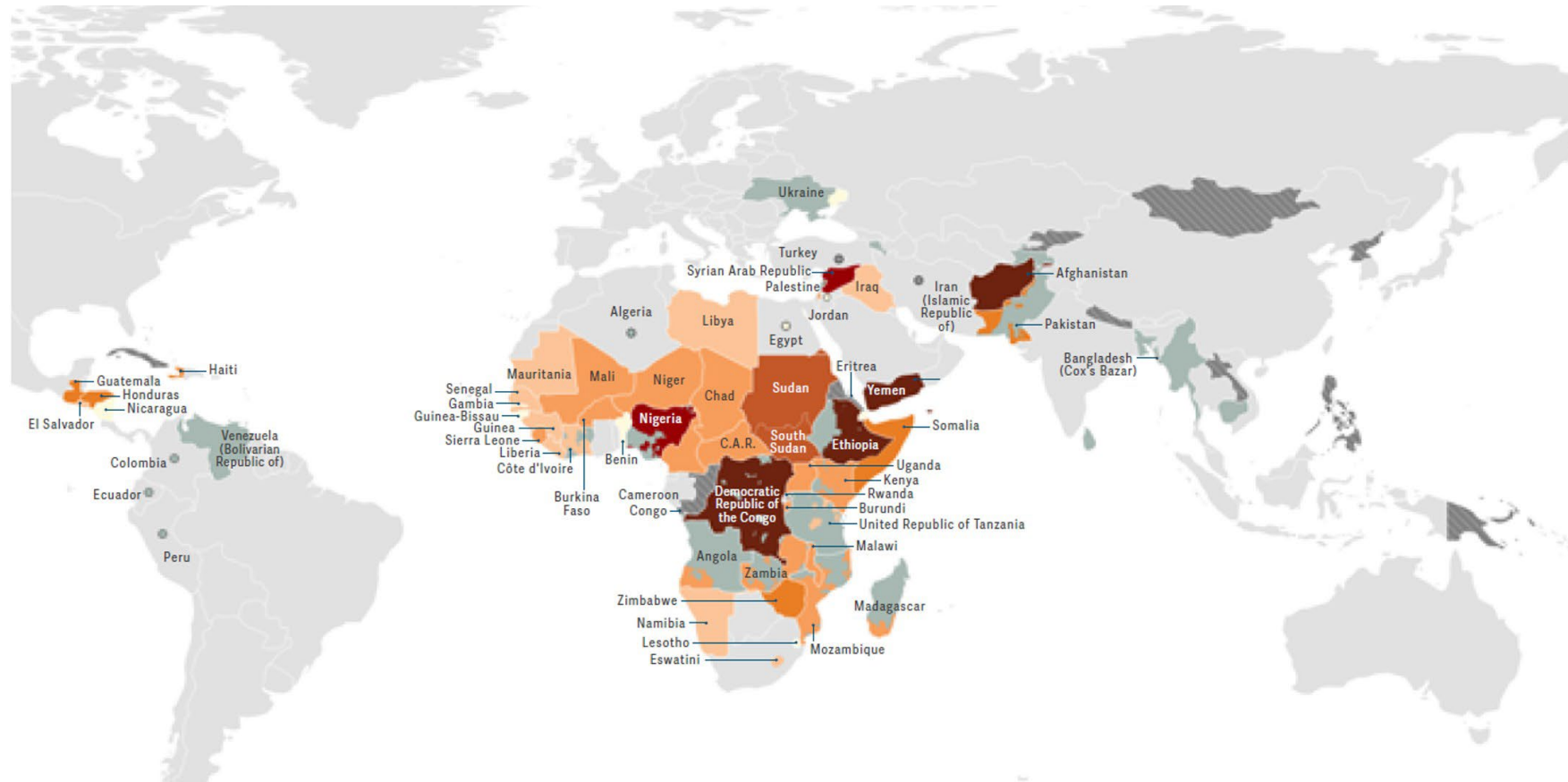
Director General

Food and Agriculture Organization of the United Nations

FAO

1. Good morning. Allow me to start by thanking the Federal Republic of Germany for the opportunity to join you here today. **I reaffirm that FAO stands in solidarity with all those affected by this war.**
2. **FAO staff has been working intensively in the analysis on the global food security situation to inform tailored and efficient action for members and international community.**

# Numbers of people in Crisis or worse (IPC/CH Phase 3 or above) or equivalent in 53 countries/ territories in 2021



## Numbers of people (ranges) in Crisis or worse (IPC/CH Phase 3 or above) or equivalent



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. Final status of the Abyei area is not yet determined.

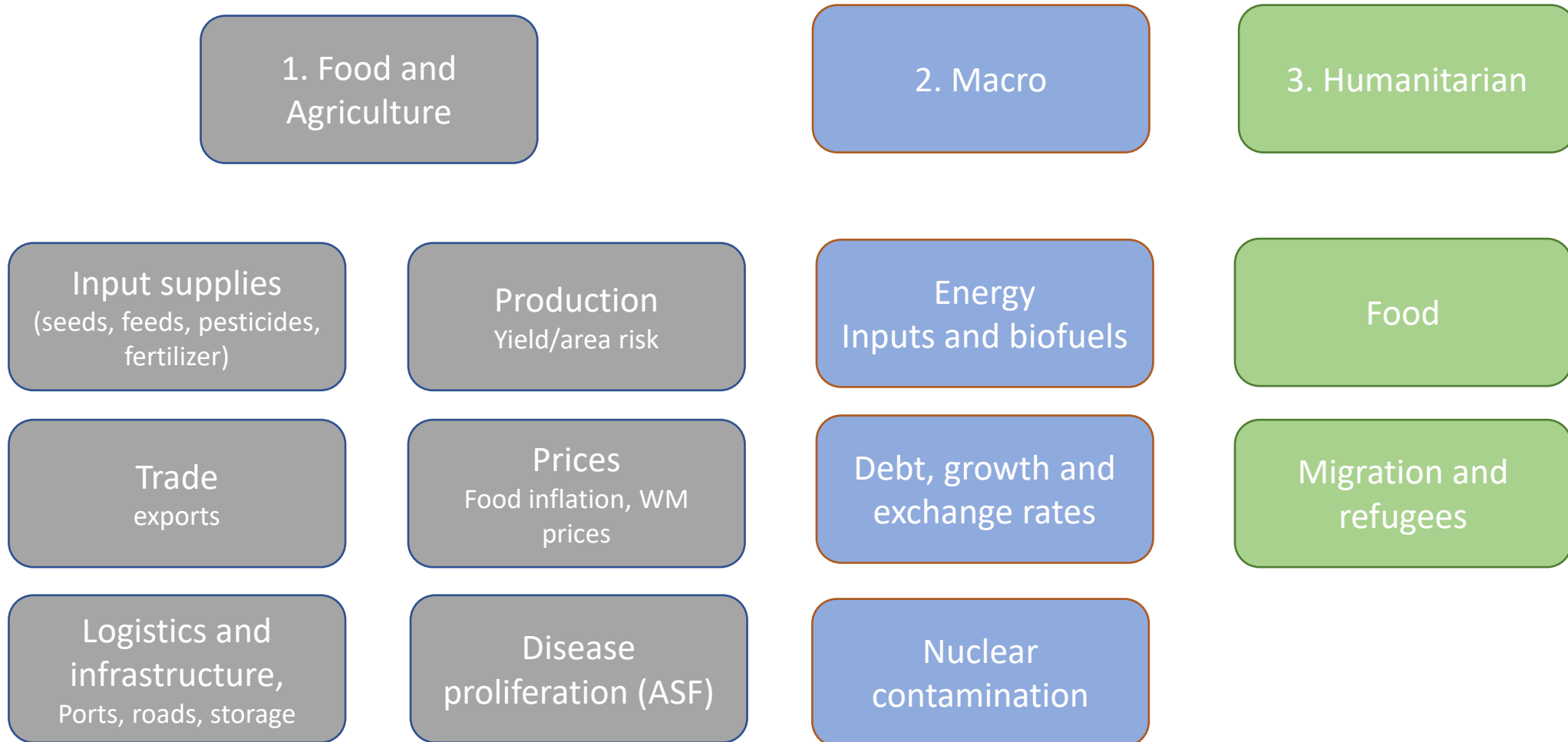
In the Democratic Republic of the Congo, the IPC analysis covered 170 areas (including 35 urban areas) in 2020 compared to 179 areas in 2021 (including 48 urban areas). In terms of population coverage, in 2020 the IPC covered 65 percent of the total country population while in 2021 it covered 91 percent.

Source: FSIN, GRFC 2022.

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3. Based on the Global Food Crises Report released in May 4<sup>th</sup>,
4. Already in 2021, around 193 million people were in Crisis or worse (IPC/CH Phase 3 or above) or equivalent in 53 countries/territories.
5. 570 000 people in 4 countries were in Catastrophe (IPC/CH Phase 5) in 2021
6. 39.2 Million people in 36 countries were in Emergency (IPC/CH Phase 4) in 2021
7. 133.1 Million people in 41 countries were in Crisis (IPC/CH Phase 3) in 2021
8. And also 236.2 Million people in 41 countries were in stressed (IPC/CH Phase 2) in 2021
9. Is in this dramatic context that we now face the war in Ukraine.

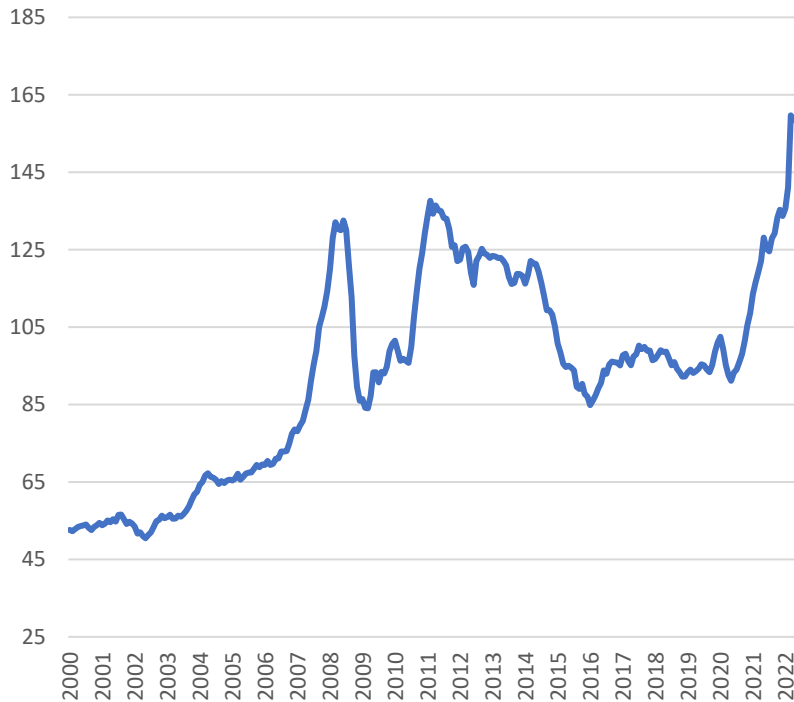
# The basic risks for Ukraine and the global food economy associated with the war



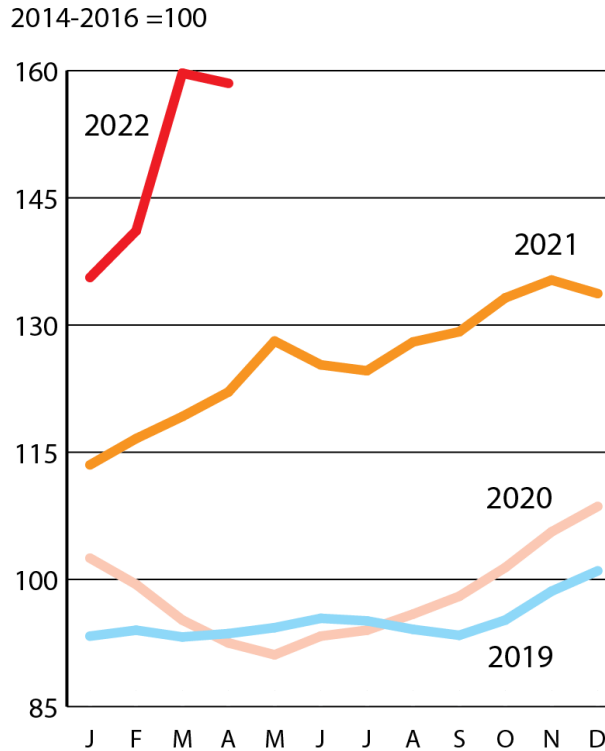
10. FAO sees three major types of risks for global food security: these derive from the direct effects of the conflict upon global food and agriculture, those that relate to macro and crosscutting factors, and those related to the humanitarian risks.
11. For the emergency and recovery, **FAO has developed a Rapid Response Plan for Ukraine** to assist farmers' in accessing crop and livestock inputs in the immediate and medium-term.

# The FAO Food Price Index Remains High

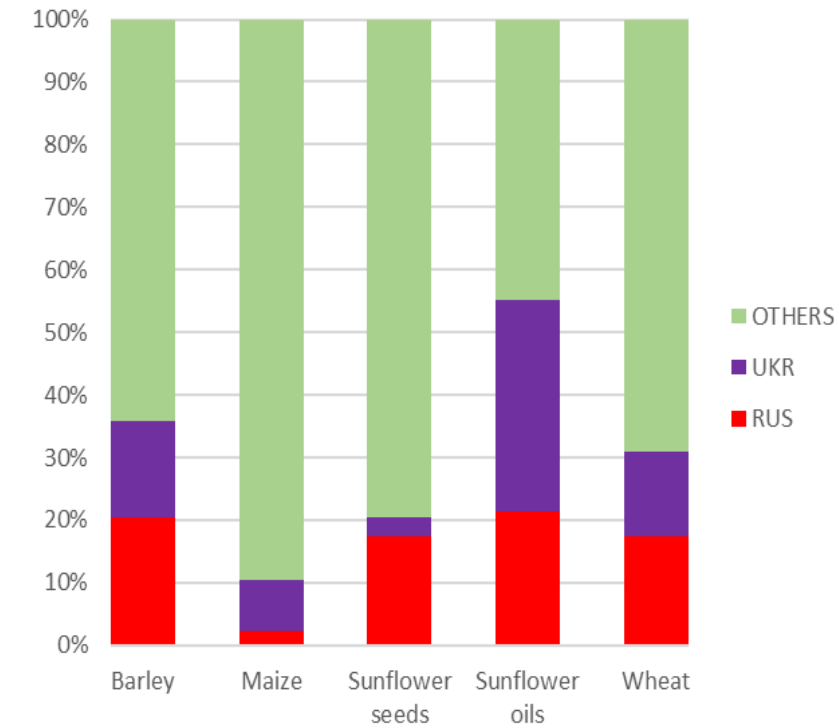
**FAO Food Price Index  
(2000-2022)**



**FAO Food Price Index  
(2019-2022)**



**Global market shares (quantities) of key agricultural commodities (percent, 2021)**

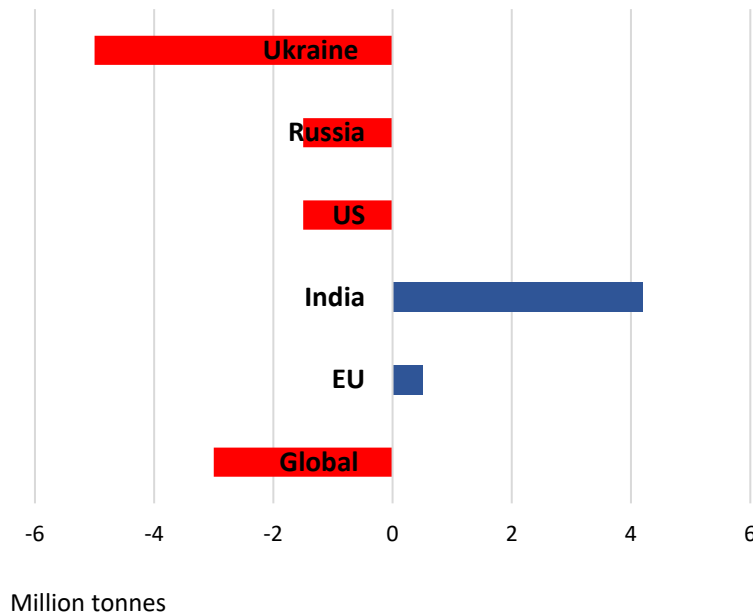


12. As we all know, both Ukraine and the Russian Federation are important players in global commodity markets, and the uncertainty surrounding the conflict prompted a significant further price increase in global markets, particularly those of wheat, maize and oilseeds. This increase came on top of already high **prices driven by robust demand and high input costs as a result of COVID-19 recovery.**
13. In March 2022 the **FAO Food Price Index** reached its highest level (160 points) since its inception in 1990, and has now averaged 158.2 points in April 2022 down 0.8 per cent from the surge in March and as a result remain historical high.
14. Market transparency is crucial. The **Agricultural Market Information System (AMIS)** is a pillar of agricultural market transparency and a essential tool to foster trust in global agriculture markets.
15. **FAO welcomes every effort to strengthen and expand AMIS and enhance the positive impact it can have on global agriculture markets.**

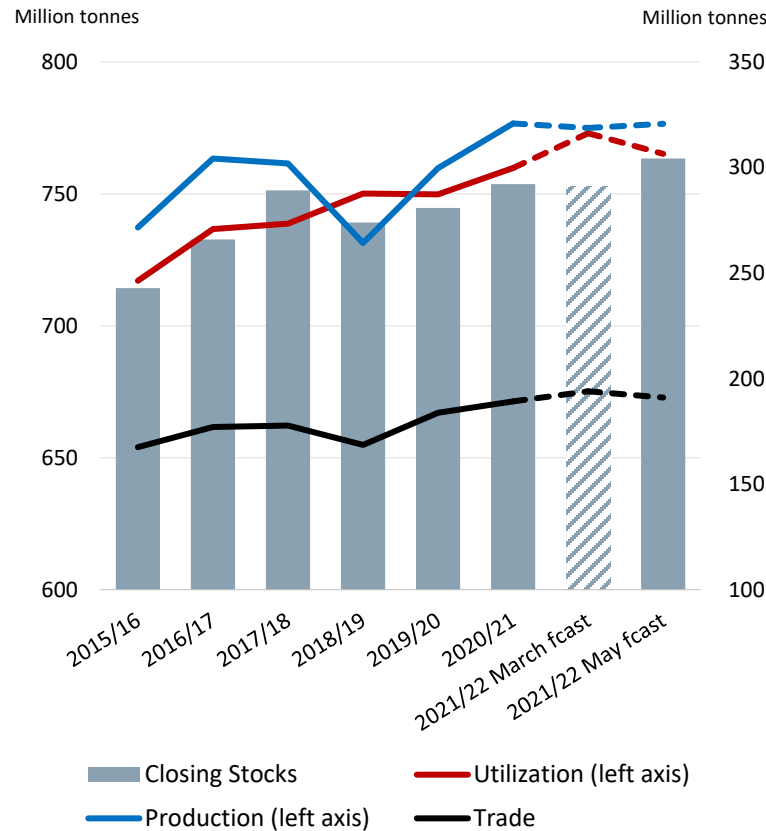


# Developments in the Global Wheat Market

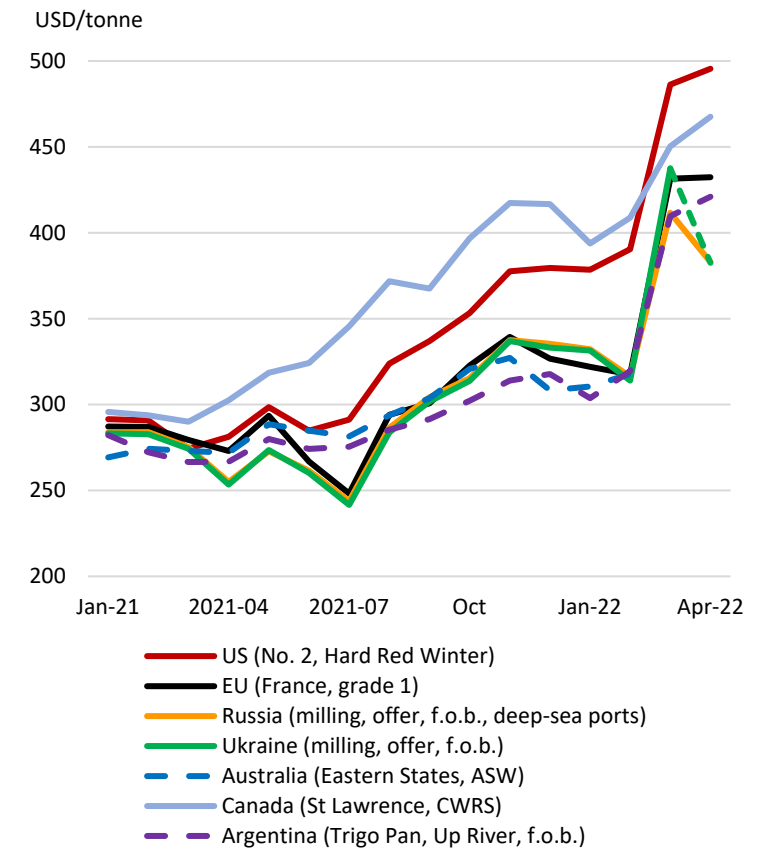
## Change in 21/22 wheat export forecasts since Ukraine conflict



## Global wheat overview



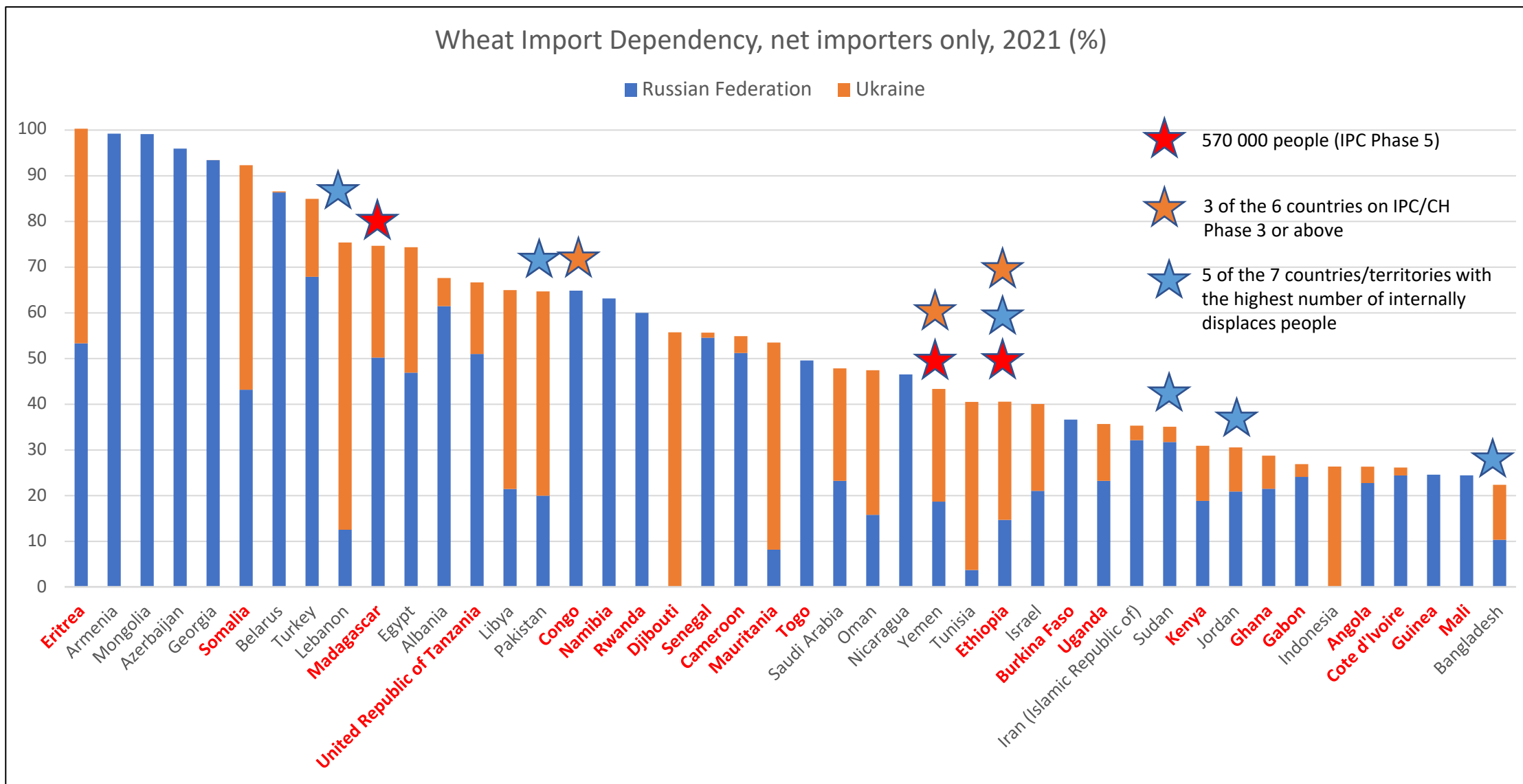
## Wheat export prices



16. Export forecasts for both Ukraine and the Russian Federation were revised down since the start of the conflict. Other market players, most notable India and the European Union, increased their exports. This partly compensated for the exports “lost” from the Black Sea region, leaving a relatively modest gap of about 3 million tonnes.
17. Wheat export prices surged in March and continued to edge upwards in April, reflecting continued supply tightness. It is likely that prices will remain elevated in the coming months.

# Some countries are heavily reliant on wheat imports from Ukraine and the Russian Federation

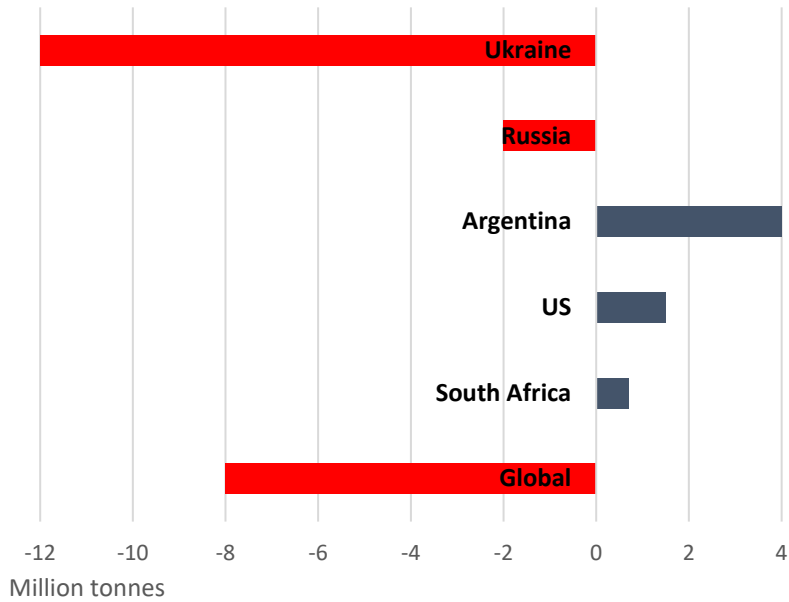
Countries in SSA are marked in red



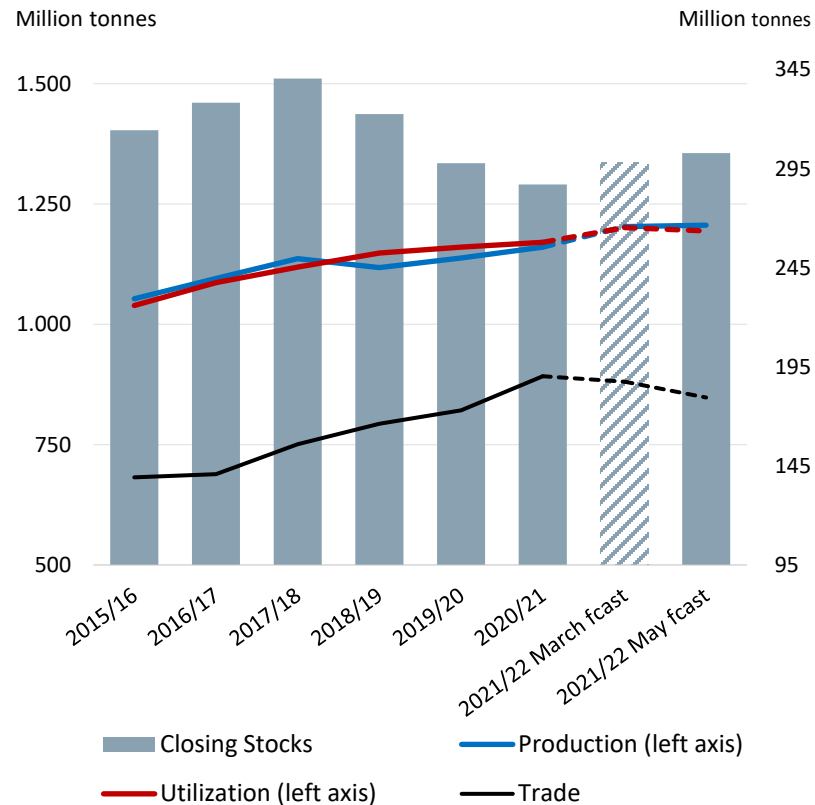
18. The impact of the current crisis was significant for wheat importing countries, which were highly concentrated on Ukraine and the Russian Federation.
19. Countries that heavily reliant on wheat imports include Turkey and Egypt, but also a number of Sub-saharan countries including: Eritrea, Somalia, Madagascar, Tanzania, Congo and Namibia. These countries need to identify new suppliers, which could pose a significant challenge, at least in the next six months.
20. While wheat is an important staple in North Africa, it is not an important foodstuff in Sub-Saharan Africa, with some exceptions.
21. Despite this, there are food crises countries, represented here with the stars in different colors, which are import dependent on Ukraine and Russian Federation.

# Developments in the Global Maize Market

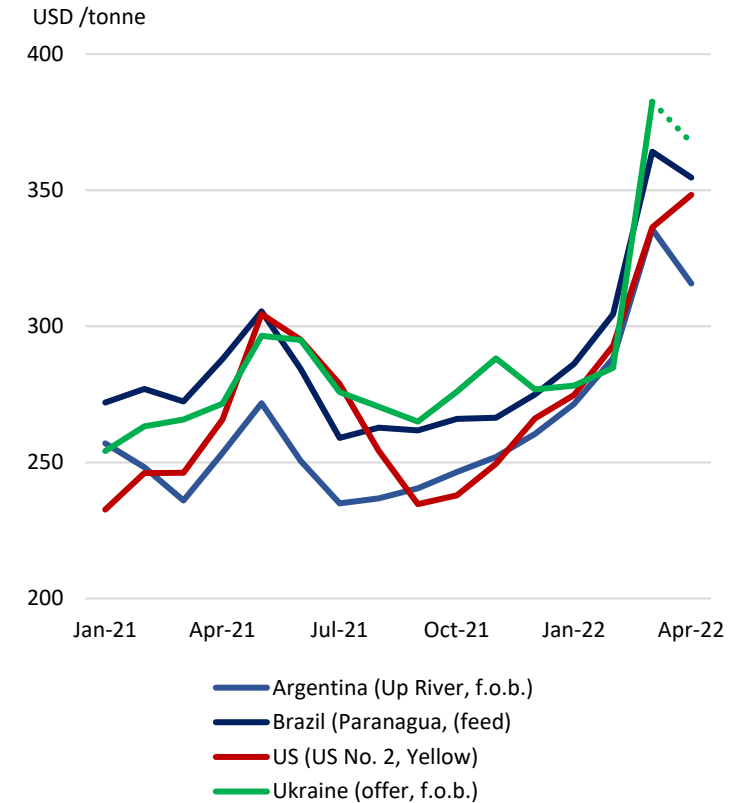
## Change in 21/22 maize export forecasts since Ukraine conflict



## Global maize overview



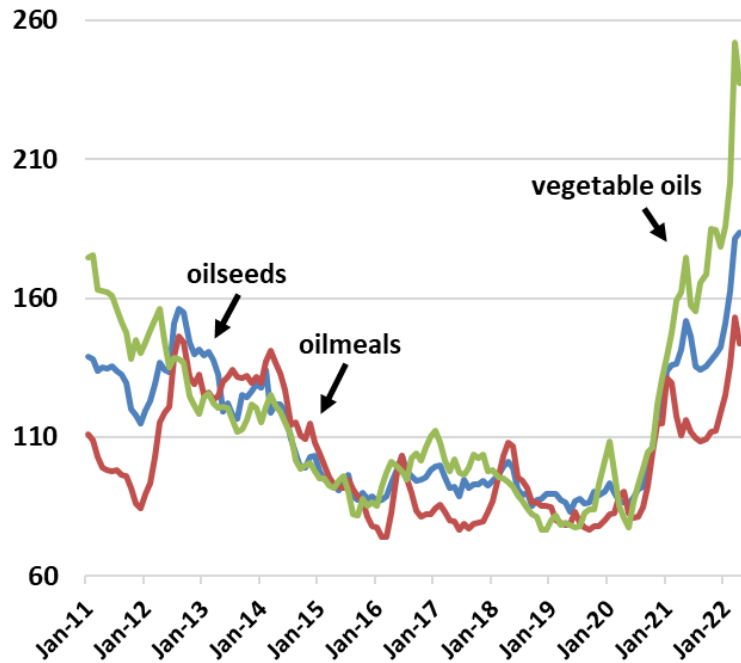
## Maize export prices



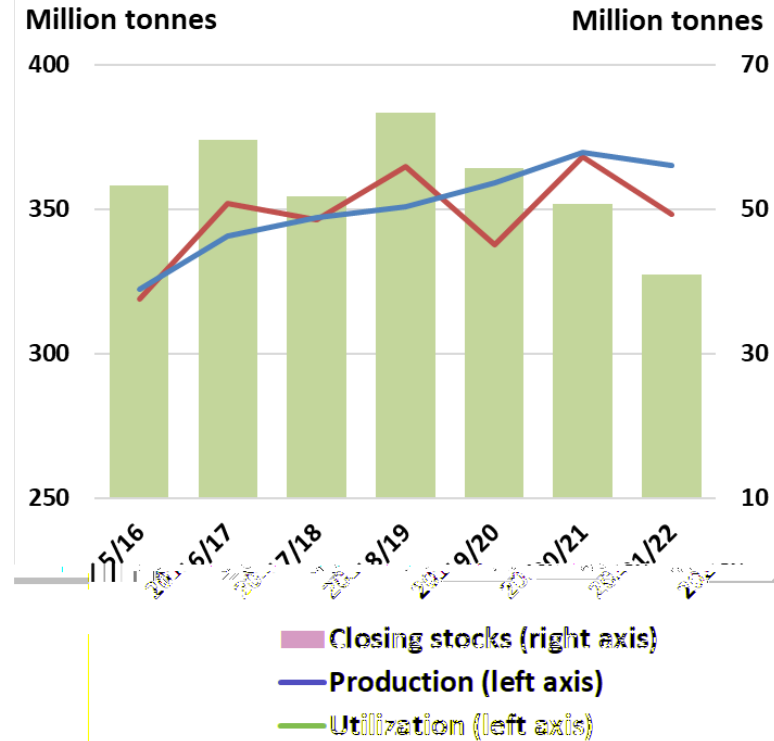
22. Maize exports from Argentina, USA, and South Africa were forecast to increase. Overall, however, FAO forecasts a reduction of approximately 8-million-tonne in the global maize trade. Therefore, the situation is tighter in maize than in wheat.
23. The last chart shows that maize export prices surged in March to their highest level on record (since 1990) in response to the abrupt suspension of exports from Ukraine. Maize prices fell slightly in April as ongoing harvests in Argentina and Brazil helped to ease pressure on markets. However, an expected fall in Ukraine's maize production in 2022 along with continued challenges for maize exports, on top of upward pressure from high energy and input costs, are likely to keep global prices firm in the coming months.

# Developments in the Global Oilcrops Market

**FAO Price Indices for Oilseeds, Oils, and Oilmeals**  
(2014-2016 = 100)



**Global soybean overview**



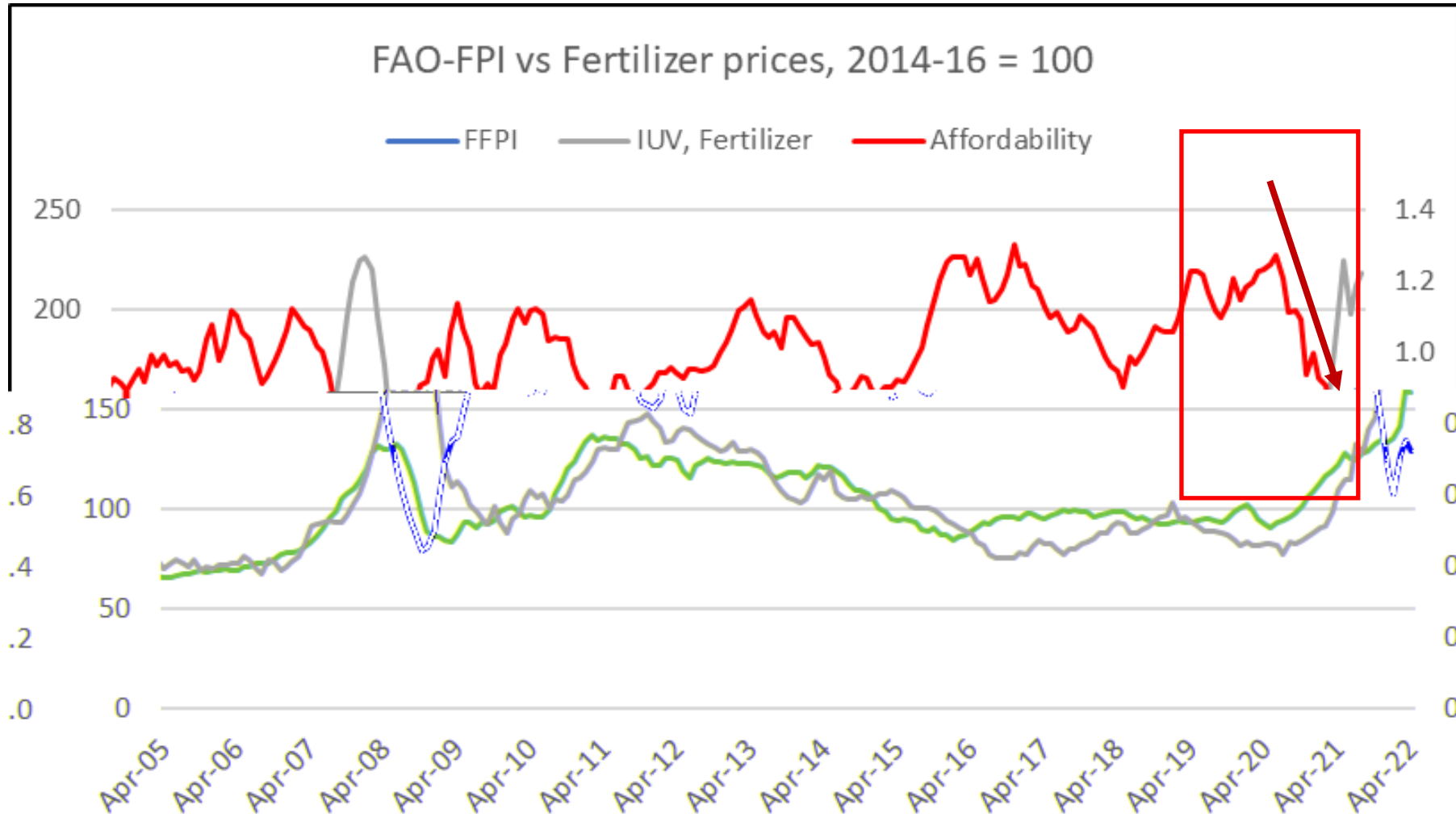
**Vegetable Oil Export Shares**

Share in global sunflower oil exports (Oct/Sep)				
	2018/19	2019/20	2020/21	average
Ukraine	54%	52%	48%	51%
Russia	25%	28%	30%	27%
Total	78%	80%	77%	79%

Share in global palm oil exports (Oct/Sep)				
	2018/19	2019/20	2020/21	average
Indonesia	55%	55%	58%	56%
Malaysia	34%	34%	31%	33%
Total	89%	90%	89%	89%

24. Global oilseed and derived product prices embarked on an upward trajectory since mid-2020 and hit record highs in March 2022, broadly underpinned by global supply tightness.
25. As for vegetable oils, world sunflower oil prices remained elevated amid the continuation of the conflict in Ukraine. Ukraine and Russian Federation represent 67% of the world exports and therefore recent export restrictions on palm oil introduced by Indonesia brought additional uncertainties to global vegetable oil supplies.

# Fertilizer affordability is precipitously falling



Source: FAO, TDM.



26. Fertilizer prices have also increased significantly, and fertilizer affordability decreased.
27. Key cereal and high value commodity exporting countries like Brazil, Argentina, Bangladesh, and other are import dependent of fertilizer from The Russian Federation with levels that vary from more than 70% to 20%.
28. In the case of South Saharan Africa, Cameroon, Ghana and Ivory Coast are amongst the most vulnerable countries relying heavily on supplies from the Russian Federation. But overall Africa accounts for only 3-4 percent of global fertilizer consumption.
29. We need to assure that key food exporting countries have access to the needed fertilizers to assure sufficient food availability for the next year.
30. In light of the impact of this crisis on global fertilizer supplies and the concerns surrounding fertilizer affordability which has fallen significantly and unexpectedly, FAO encourages all countries to improve fertilizer use efficiency, including through the **use of soil maps** and through improved fertilizer application.

## **Rapid Response plan for Ukraine:**

**ONE:** maintaining food production, through providing cash and inputs for cereal crop production in October, and the Spring vegetable and potato production, as well as supporting harvesting of the 2021 winter crop in July and August; and includes providing livestock production and health inputs and services.

**TWO:** supporting agrifood supply chains, value chains and markets by engaging government and the private sector to provide technical support services to household level and smallholder producers through public-private partnerships.

**THREE:** Ensure accurate analyses of the evolving food security conditions and needs, including through coordination of the Food Security and Livelihoods.

*Excellencies,*

31. Coordinated action for Ukraine within this group is indispensable to facilitate the smooth functioning of global food markets and thus to secure food supply for all.
32. FAO stresses the need to support the continuity of farming operations within Ukraine; while supporting agrifood value chains.

## **FAO's Response: a global Food Import Financing Facility**

- It is designed to respond to rising food import and input costs.
- It is complementary to the mechanisms we have in the UN and the Bretton Woods institutions to tackle such crises.
- It is strictly based on urgent needs and limited to low, and lower middle-income net food-importing countries.
- It has been designed to include smart conditionality to act as a stabilizer for future funding. Eligible countries will commit to increase investments in agrifood systems, thus increasing resilience for the future.
- It has been stress-tested by FAO for its impact on the global markets, and would be convenient to administrate and scale up.
- Its details can be found at: <https://www.fao.org/3/cb9445en/cb9445en.pdf>

33. Price increases always have food security implications, particularly for the poorest. The crisis represents a challenge for food security for many countries, and especially for low-income food import dependent countries and vulnerable population groups.
34. In response to the rising challenges posed to national balance of payments by rising food prices, FAO developed a proposal for a global **Food Import Financing Facility**, which aims to present a mechanism to respond to rising food import and input costs.
35. The mechanism is strictly based on needs and limited to low and lower middle-income net food-importing countries and selected beneficiaries of the International Development Association.
36. The FIFF, if adopted by the IMF, could benefit almost 1.8 billion people in the 61 most vulnerable countries.
37. This facility has been designed to include smart conditionality to act as an automatic stabilizer for future funding. Eligible countries will commit to added investments in agriculture, thus reducing future import needs.
38. The facility is already stress-tested for its impact on the global markets, it is easy to administer and scale up. Tapping into the Facility would allow vulnerable food importing countries to ensure food security and mitigate long-lasting impacts of soaring food prices.

# Easing the burden of high food import costs: A Food Import Financing Facility (FIFF)

(Eligible **African** countries are marked **in red**)

Income Group	FIFF eligible countries
<b>Low</b>	<p>Mozambique, Benin, Gambia, Ethiopia, Syrian Arab Republic, Guinea, Liberia, Congo, Nepal, Somalia, Guinea-Bissau, Mali, Yemen, Eritrea, Tajikistan, Rwanda, Sierra Leone, Niger, Afghanistan, Burkina Faso, Haiti, Burundi, Central African Republic, South Sudan, Democratic People's Republic of Korea, Togo</p>
<b>Lower-Middle</b>	<p>Djibouti, Tunisia, Mongolia, Bhutan, El Salvador, Sao Tome and Principe, Kyrgyzstan, Lesotho, Uzbekistan, Cabo Verde, Philippines, Bangladesh, Senegal, Viet Nam, Egypt, Pakistan, Timor-Leste, Kenya, Comoros, Lao People's Democratic Republic, Cameroon, Cambodia, Democratic Republic of the Congo, Angola, Mauritania, Sudan, Zimbabwe, Nigeria</p>
<b>Upper-Middle (IDA only)</b>	<p>Grenada, Tonga, Maldives, Dominica, Saint Lucia, Samoa, Saint Vincent and the Grenadines</p>

39. This is a list of eligible countries under the proposed FIFF. Eligible African countries are in red.

40. In closing, let me underline that much uncertainty remains for the coming market year. It is therefore paramount that, together, we:
- a. Support Ukraine's ability for farming, harvesting and exporting;
  - b. Provide humanitarian assistance to those directly affected by the conflict as well as to vulnerable populations affected by food price increases;
  - c. Refrain from imposing export restrictions, which can exacerbate food price increases and undermine trust in global markets;
  - d. Recommit to provide AMIS with the full support it needs;
  - e. Ensure that any measures taken to address the crisis do not exacerbate food insecurity and on the contrary increase resilience;
  - f. Finally, we need to actively identify ways to make up for potential future gaps in global markets, working together to foster sustainable productivity increases where possible.

41. I commend this G7 group for its coordinated and timely action, and for global food security.

42. I thank you.