

Non Traditional Security Digest

Global Food Security Crisis

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Introduction

The Food and Agriculture Organization of the United Nations ([UNFAO](#)) defines food security as “ensuring that all people at all times have both physical and economic access to the basic food that they need.” It characterizes food security through four dimensions: food availability, food access, utilization, and stability.

Several mechanisms have been created on international and domestic levels to combat food insecurity. India’s National Food Security Act 2013 (NFSA) is an example of the same. By adopting a rights-based approach, the [Act](#) legally entitles 75% of the rural population and 50% of the urban population to receive subsidized food grains under the Targeted Public Distribution System.

In the past few decades, several states have been pushed into food insecurity. Disruption of global supply chains due to the COVID-19 pandemic, the climate change crisis and a reduction in global incomes have negatively impacted global food security. According to the *Global Report on Food Crisis* (GRFC), nearly 193 million people face starvation and acute hunger. During the pandemic, there was a rise in global [hunger](#) by 18 per cent.

In addition, a sharp rise in global food prices has further deteriorated the condition.

In 2022, the Russia-Ukraine crisis once again shifted global attention to food supply and security. Issues like food shortages and rising inflation point toward a volatile global food security crisis that this digest aims to explore.

What makes Russia and Ukraine important for Food Security?

Before delving into the intricacies of the current crisis, it is pertinent to elucidate the role that Russia and Ukraine play in maintaining global food security.

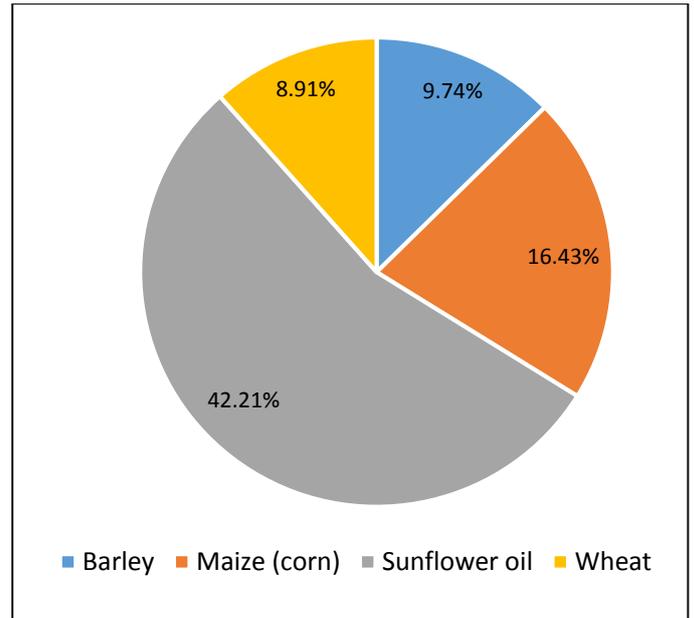
Often termed as the “Global Breadbaskets”, Russia and Ukraine account for nearly one-third of global wheat [exports](#). They are also major players in the export of barley, maize, and sunflower oil (Figures 1 and 2). Before the pandemic, the [figures](#) from 2019 indicate that Ukraine alone accounted for 42.21 per cent of global sunflower oil exports. In addition, Russia accounted for the other 21.40 per cent. Together they were also responsible for approximately 20 per cent of global barley supply and 18 per cent of maize (corn) supply. As per the [US](#) Department of Agriculture, Ukraine exported 23.5 million tons of wheat and thirty-four million tons of corn in 2021.

High exports indicate high global dependency. According to [UNFAO](#), nearly 26 countries depended heavily on Russia and Ukraine for their grain and oil needs. They imported approximately 50 per cent of these commodities from the two states. The World Food Programme also bought nearly [half](#) of its wheat from Ukraine.

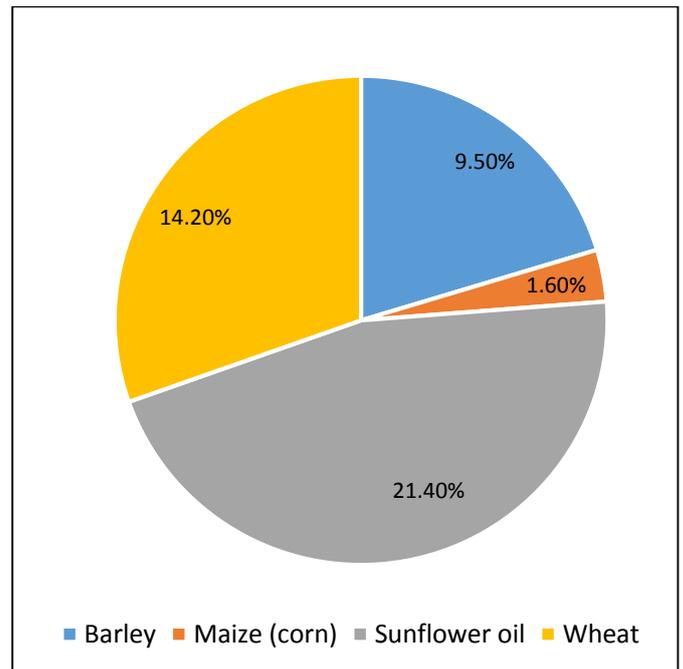
The Black Sea region was also a major supplier of countries with minimal domestic production. For instance, [Egypt](#) and [Turkey](#) are the world’s largest importers of wheat with nearly 80 per cent and 74 per cent being imported for multiple sources, respectively.

In addition to final agricultural products, the region is a key player in the supply of raw materials required for production. Russia is a leading actor in fertilizer production and export. According to the International Food Policy Research Institute ([IFPRI](#)), it accounts for nearly 17 per cent of global potash fertilizer exports and a 15 per cent global export share in nitrogenous fertilizers.

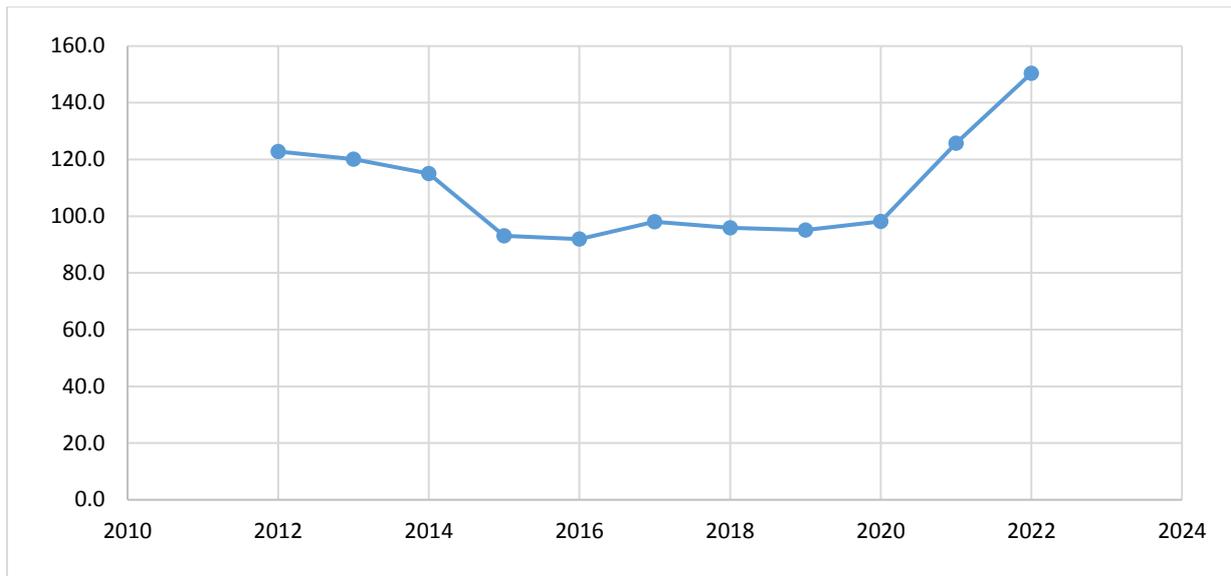
In this context, the impact of Russia and Ukraine’s absence has been widely felt. The following section aims to explore the same.



(Fig 1: Global Exports from Ukraine • 2019)



(Fig 2: Global Exports from Russia • 2019)



(Fig 3: Annual FAO Food Price Indices)

Impact of the Ukraine Crisis

The Ukraine crisis has presented the international community with a unique supply and demand problem. The blockade at the Black Sea region and Russia and Ukraine's sudden withdrawal from the global food market has severely impacted food security around the world. It is estimated that even before the conflict, the global food [inventory](#) was lower than the global stock in the 2007-08 financial crisis. As a result, their withdrawal has further exacerbated the situation.

As displayed in the graph above, UNFAO's food price [index](#) displayed an all-time high in food prices in March 2022 (Figure 3). Averaged at 159.7, the index presented high averages for several commodities.

Vegetable Oils averaged at 251.8, Dairy at 145.8 and Cereals at 170.1. The Index

witnessed a drastic 12.6 per cent increase from February 2022.

In addition to agricultural produce, current [fertilizer](#) prices are nearly three times higher than in 2021. Furthermore, the prices are even 20 per cent higher than in January 2022.

These higher prices display a causal mechanism with supply shortages and supply chain disruptions. They are also inextricably linked to a rise in energy prices that ultimately increases the production and transportation costs of these products.

The Middle East and North Africa (MENA) region, in particular, is facing a severe food security crisis. Food prices in [Lebanon](#) have witnessed a 1000 per cent increase in the past three years. Domestic inflation has become a great cause of concern for administrations in Egypt and Libya.

Historical precedence suggests, food insecurity runs the risk of political instability. Several experts point towards the role of high food prices during the Arab Spring. In [East Africa](#), wheat formulates to be a major component of cereal consumption, 90 per cent of wheat needs of the region are fulfilled by Russia and Ukraine. The populations of these countries now have to make substantial dietary changes and as a result, run the risk of malnourishment.

The shortage in global food supply and a sharp rise in food prices have also raised concerns on humanitarian aid missions. According to the World Food Programme, nearly 22.8 million people face acute food insecurity in [Afghanistan](#). Drought in Somalia has aggravated the situation. It was [reported](#) that nearly 213,000 people face famine-like conditions. Lack of food aid, high food prices and loss of livestock and crop due to the drought have led to these circumstances. The organisation has also declared emergencies in Ethiopia, Haiti, Sudan, Syria and Yemen.

In this analysis, the impact on local populations and individual households also needs inclusion. As the disparity in supply and demand has led to higher food prices, a large part of people's incomes is spent on food, pushing them into a "[food poverty](#)

[trap](#)". As a case-in-point, an average household in Nigeria spends 56.4 per cent of its income on food expenditures. The causal chain of disparate incomes and disproportionate spending on the same products increases the economic gap between populations.

The disruptions in the food supply chains and domestic shortages have also triggered a wave of food protectionism. Several states are restricting exports of commodities in order to ensure adequate supply for domestic populations. According to the Food and Fertilizer Export Restrictions [Tracker](#), in June 2022, 18 countries imposed export restrictions on 31 products. Despite being the world's largest producer and exporter of palm oil, [Indonesia](#) briefly halted exports in May due to rising prices. To counter inflation, Argentina banned all meat exports. Similarly, [Malaysia's](#) poultry export ban is a key example of food protectionism. India's decision to restrict wheat and sugar exports falls under a similar purview. However, they demand closer attention.

India's Response to the Crisis

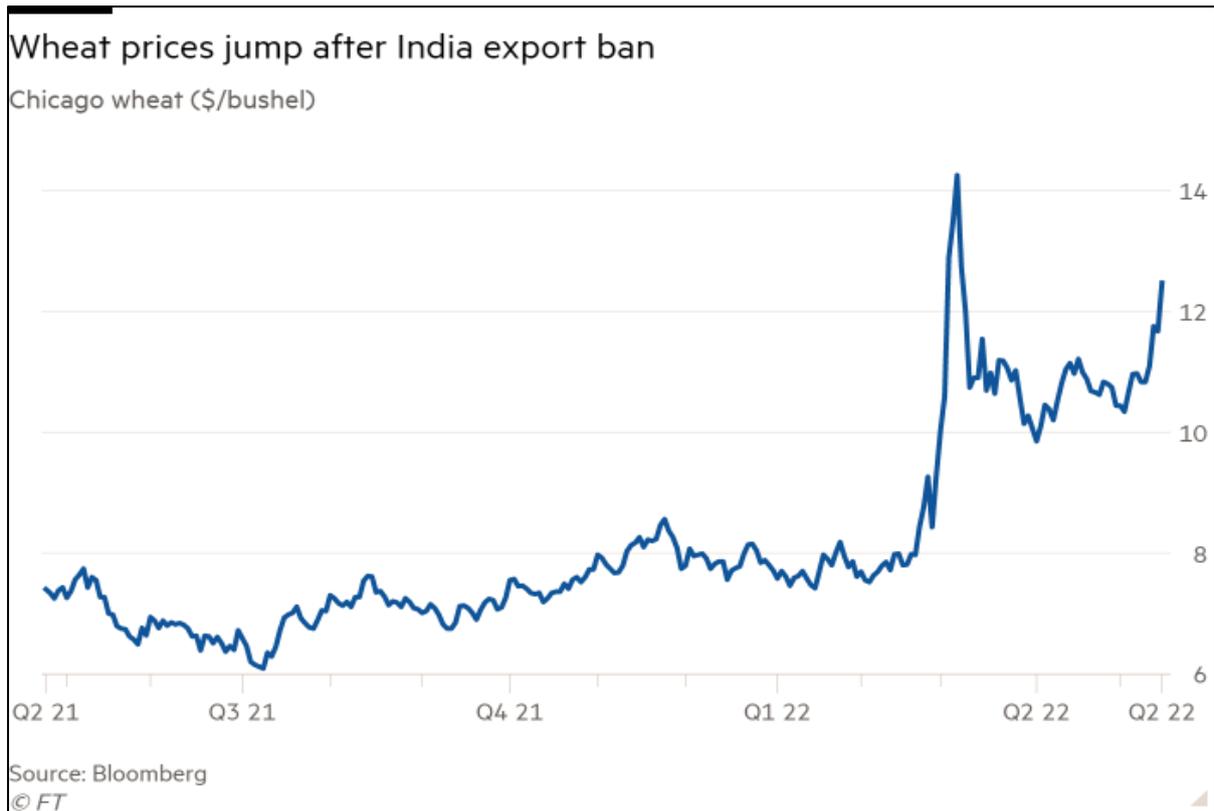
Following the Russia and Ukraine crisis, several countries turned to India for remedying their food shortage issues. With an expected rise in production and export,

many hoped that India can supply surplus wheat to the importing nations. The Indian Government sent trade [delegations](#) to Morocco, Tunisia, Indonesia, Philippines, Thailand, Vietnam, Turkey, Algeria and Lebanon to explore wheat export deals with the nations. The Commerce and Industry Ministry also set up a Task Force on wheat exports for the same. In the beginning of May 2022, it was reported that the World Food Programme (WFP) was in discussion with the India to [procure](#) wheat to support other vulnerable states.

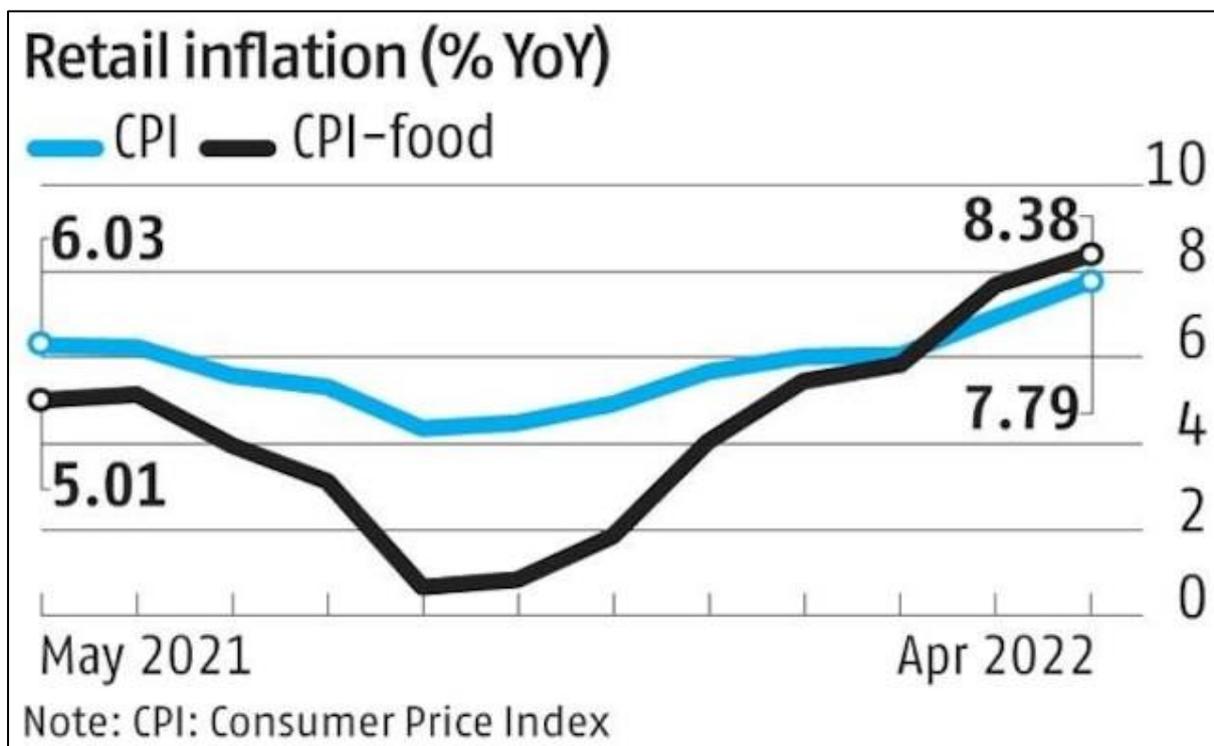
However, Indian export ambitions took a sharp turn when the government decided to amend the wheat export policy of the nation. In a [notification](#) dated 13 May 2022, the Directorate General of Foreign Trade banned wheat export shipments with immediate effect. All categories of wheat were moved from “free” to “prohibited”. The restriction order enlisted two exceptions. Firstly, exports will be allowed to countries “to meet their food security needs” and secondly, “on requests of their governments.” India’s move sent ripples in the global food industry. Wheat [prices](#) rose by 6 per cent (Figure 4) and wheat commodities also became expensive.

While India’s wheat exports grew [six](#) times till April 2022, several domestic factors led to the decision. According to the Indian Meteorological Department ([IMD](#)), India witnessed its hottest March since 1901. The drastic and prolonged heat wave severely hindered India’s export plans. It reduced the quality and quantity of production as extreme heat shrank the size of the grains. For instance, in 2021 one kilo Indian wheat [produced](#) 770 grams of flour and this year, it has reduced to 720 grams. Within a period of three months (February to April 2022), India’s [estimated](#) wheat output projection reduced from 111.4 million metric tons to 106.4 million metric tons.

The restriction is also an outcome of rising inflation and domestic prices in India. In March 2022, reduced production of crops and a rise in exports led the “monthly retail average price of wheat flour to a twelve-year high, with overall food [inflation](#) at 7.7%”. In April 2022, the food inflation rate surged to 8.38 per cent (Figure 5). As per the National Statistical Office, “[prices](#) of edible oils and vegetables shot up by 17.3 per cent and 15.4 per cent, respectively.” Reduced availability and soaring prices can be understood as the root cause of restriction.



(Figure 4: Financial Times)



(Figure 5: Business Standard)

Indian officials also established the move as a measure to ensure food security among vulnerable nations and curb grain hoarding. Speaking at the [ministerial meeting](#) on ‘Global Food Security Call to Action’, Minister of State for External Affairs V. Muraleedharan reiterated India’s commitment to mitigate the crisis “in a manner in which it upholds equity, displays compassion, and promotes social justice.”

India has [committed](#) 50,000 metric tonnes of wheat to Afghanistan that will be delivered through a humanitarian corridor in Pakistan. India has also granted a consignment of 10,000 metric tonnes of rice and wheat to Myanmar. The country actively contributes to the World Food Programme, UN’s Central Emergency Response Fund (CERF) and United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA). India has provided [Sri Lanka](#) with a \$55 million credit line for procurement of Urea fertilisers designated for cultivation. It is pertinent to note, while India is the second-largest producer of grain, the output is largely utilized for domestic consumption and not exports. In addition, the ban has not terminated exports all together. Since the decision, India has allowed [exports](#) of 750,000 metric tons of wheat.

Following the restrictions on wheat exports, the government issued another [notification](#) capping sugar exports to 10 million tons. It is pertinent to note that India is the world’s [second](#)-largest exporter of sugar. Therefore, the decision to restrict has raised several questions. The government has defended its move by indicating the need to safeguard domestic interests, which are, ensuring adequate domestic stocks and reasonable product prices. The [restrictions](#) are seen as a preemptive move as sugar production in Brazil has been low and as sugar season ends in September, restricting exports will ensure adequate domestic stocks for the following months.

Global markets and states face multiple challenges in the food security nexus. These include inadequate supply-demand ratio, high prices of products and raw materials, higher procurement costs and trade interruptions. Proper planning and greater cooperation will be required to mitigate the crisis.

Latest News

India [dispatches](#) three thousand metric tons wheat to Afghanistan as part of humanitarian efforts

Following a deadly earthquake in Afghanistan, India sent three thousand metric tons of wheat. The consignment is a

part of the MoU signed between the World Food Programme (WFP) and India. As part of the agreement, India has committed to send 50,000 metric tons of wheat to Afghanistan, 33,500 of which has already been sent.

In order to mitigate food crisis, Ukraine establishes [routes](#) through Poland and Romania

Kyiv has established two rail routes through Poland and Romania to supply food grains to curb rising prices. The decision has come after blockade at the Black Sea region and nearly thirty million tons of grain lying in Ukrainian storage houses.

Rising food prices, spark fear of [rice](#) export restrictions

The UNFAO Food Index displayed a twelve-month high in rice prices. Rising food prices and export bans on essential food commodities have generated concerns over protectionism on rice exports.

Discussion at International summits: [G7](#), [UN](#), [I2U2](#) and the [WTO](#)

Food security has been on the agenda of discussion for several international organisations. These aim at developing an institutionalised response to the crisis. The establishment of the *Global Alliance for Food Security* (GAFS) by the G7 is a pertinent example. Food Security is also on

the agenda for the newly convened I2U2 grouping.

India's bid at the [WTO](#) Ministerial Conference

The World Trade Organisation's twelfth ministerial conference saw negotiations on key agreements. India was able to secure favourable outcomes on fishery subsidies. No agreements were reached on the issue of public stock holdings for food security.

Recommended Tools for Further Examination

UNFAO's Food Price Index

Food and Agriculture Organization of the United Nations (UNFAO) has developed the FAO Food Price Index ([FFPI](#)) which measures average global food prices on a monthly basis. The tool "utilises the average of five commodity group price indices weighted by the average export shares of each of the groups".

Exports Restrictions and Bans Tracker

The Food & Fertilizer Export Restrictions [Tracker](#) developed by the International Food Policy Research Institute (IFPRI) and Tableau Public enlists current restrictions on the global food markets through maps and provides a comparative analysis of the 2022, 2020 and 2007-08 crisis.

Non-Traditional Security Centre

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