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FOOD (IN)SECURITY 2022

Winners and Losers of the Sanctions War

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POLICY BRIEF

FOOD (IN)SECURITY 2022

WINNERS AND LOSERS OF THE SANCTIONS WAR

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Food Security is on the Menu

In the era of economic globalization and the global spread of goods, i.e. foodstuffs, the problem of food security does not always receive the attention it deserves (especially in the countries of the Global North). This is in stark contrast, for example, to the climate agenda, the progress of which the whole world is now following. However, there is no need to prove that food security is one of the existential foundations of the life of the state and the individual, and that the lack of such security creates an ontological threat. Food prices soared in early 2022 on the back of the disruption of global food supply chains caused by the COVID-19 pandemic in 2021–2022, having the world's attention turned to the issue of food security.

According to the latest reports by the Food and Agriculture Organization (FAO), close to 12% of the global population is experiencing severe food insecurity; 29% is experiencing moderate or severe food insecurity; nearly one in three people in the world (2.37 billion) did not have access to adequate nutrition; while the prevalence of undernourishment reached 9.8% in 2021.¹ These are the worst indicators in recent years. However, it should be noted that these negative trends appeared long before the coronavirus pandemic. Global food insecurity was already on the rise before COVID-19, and the pandemic only worsened the situation, causing a sharp jump in food insecurity in 2020 (up 1.5% from 2019).

The United Nations' second Sustainable Development Goal for 2030 is to reach "zero hunger," achieve food security and improved nutrition, and promote sustainable agriculture. As we are now in 2022, the United Nations has already stated that "the world is not on track" to achieve this goal.² The dynamics are not encouraging either: contrary to the stated policy, since 2014 the number of hungry people in the world has been on the rise.³ By 2030, some 8% of the world's population (670 million people) are expected to be facing hunger, which is the number of the hunger registered in 2015.⁴

The solution to the problem of food security cannot be presented in isolation from other global problems. According to the United Nations, the main challenges and factors of food insecurity are: 1) violent conflicts; 2) climate shocks and extreme weather events; 3) economic slowdowns and downturns; 4) poverty and inequality. These factors have not weakened in recent years and are increasingly found in combination. Now more than ever, the problem of food security is entwined with others.

The importance of Russia as a global actor in the global food security system is increasing, taking into account the role of the country as the major agrifood exporter (especially, wheat). This paper presents Russia's approach to food security and analyses the current situation in the global food market, with a particular focus on the impact of anti-Russian sanctions on food security.

¹ The State of Food Security and Nutrition in the World. 2022. <https://www.fao.org/3/cc0639en/cc0639en.pdf>.

² Goal 2: Zero Hunger. <https://www.un.org/sustainabledevelopment/hunger/>.

³ The State of Food Security and Nutrition in the World. 2020. <http://www.fao.org/3/ca9692en/ca9692en.pdf>.

⁴ The State of Food Security and Nutrition in the World. 2022. <https://www.fao.org/3/cc0639en/cc0639en.pdf>.

Russia's Food Security Blueprint: Building Up Food Sovereignty while Promoting Export

For Russia, food security is a critical part of the country's national security. Food security concepts are reflected in the National Security Strategy of the Russian Federation for 2021,⁵ in particular in terms of "national interests" (sustainable development on a new technological basis; environmental protection, conservation and rational use of natural resources; adaptation to climate change) and "strategic national priorities" (economic security; environmental security and the rational use of natural resources; and scientific and technological development).

The Food Security Doctrine of the Russian Federation – the first of its kind – was approved in 2010 by then-President Medvedev. The strategic goal of this document was to maintain the stability of domestic production and the necessary reserves of safe agricultural products, fishery products and products from aquatic biore-sources, and food.⁶ The notion of food security is interpreted as "a state of the country's economy that ensures food independence of the Russian Federation, guarantees physical and economic accessibility of every citizen to food products that meet the requirements of the legislation of the Russian Federation on technical regulation, in amounts not less than rational norms of food consumption necessary for an active and healthy lifestyle."⁷

On this basis, the main areas of food security are both economic affordability and the phys-

ical availability of foodstuffs, ensuring food safety and increasing production (through the improvement of soil fertility, development of animal husbandry, and use of new technologies), as well as customs and tariff regulation. Factors that weaken food security, in addition to macroeconomic and foreign trade, include technological and agro-ecological factors caused by unfavourable climatic changes and the consequences of natural and manmade emergencies.

In general, this approach is consistent with that of the United Nations and the Food and Agriculture Organization (FAO). However, a particular feature of the Russian approach is the emphasis on food sovereignty.⁸ For example, the 2010 Doctrine introduces threshold (minimum) values for the share of certain food production in the total volume of goods (including carry-over stocks) on the domestic market.

In January 2020, a new Food Security Doctrine was approved to replace the 2010 version.⁹ In the paper, the concept of food security is interpreted in the same way as in the previous edition – it is the physical and economic availability of food that meets the necessary requirements, including those of the Eurasian Economic Union (EAEU). It also includes a separate reference to food sovereignty. The new document has a "green" connotation whose long-term objectives include the sustainable development and

⁵ Decree of the President of the Russian Federation No. 400 of 02.07.2021 on the National Security Strategy of the Russian Federation. 2021. <http://www.kremlin.ru/acts/bank/47046>.

⁶ Decree of the President of the Russian Federation of 30.01.2010 No. 120 On Approval of the Food Security Doctrine of the Russian Federation. 2010. <http://kremlin.ru/acts/bank/30563/page/1>.

⁷ Ibidem.

⁸ Food sovereignty is understood as "sustainable domestic production of foodstuffs in amounts not less than the established thresholds for its share in the commodity resources of the domestic market of the respective products."

⁹ Decree of the President of the Russian Federation of 21.01.2020 No. 20

On Approval of the Food Security Doctrine of the Russian Federation. 2020. <http://www.kremlin.ru/acts/bank/45106>.

modernization of agriculture and fisheries and domestic market infrastructure; the development of agricultural production, raw materials and food that meets the established environmental, sanitary and epidemiological, veterinary and other requirements; the restoration and improvement of agricultural land; efforts to prevent the depletion of agricultural land and increase the rational use of such land; the protection and preservation of agricultural land from water and wind erosion and desertification; the creation of a highly productive agricultural sector that develops on the basis of modern technologies with scientific workers and highly

qualified specialists.¹⁰ In contrast to the previous version, the 2020 Food Security Doctrine makes special note of the climate threat to food security. This threat is caused by unfavourable climatic changes, abnormal natural phenomena, land degradation, and the reduction of land fertility.

It is noteworthy that one of the tasks in the new Doctrine is to realize the export potential of the agrifood industry, “to achieve a trade surplus of agricultural products, raw materials and foodstuffs”. Another objective is to promote the principles of a healthy lifestyle among the population (the prevalence of obesity in Russia is estimated at 25.7%¹¹).

¹⁰ Ibidem.

¹¹ Global Food Security Index 2022. <https://impact.economist.com/sustainability/project/food-security-index/explore-countries/russia>.

The Making of Food Sovereignty: Driving the Approach into Action

Food self-sufficiency in Russia, as in any other country, is primarily influenced by factors such as nature and climate. Much of the Russian Federation is located in the subarctic and temperate climate zones which is not suitable for farming. A large part of the land is located in the so-called risky farming zone – that is periods of cold, drought or overwatering of soils – with poor soil that requires large amounts of fertilization for farming. The only part of the Russian Federation that constitutes about 35% of the total area of the country is located in the temperate zone, where there is enough heat to mature crops. Thus, Russia has 9% of the world's cultivated land, and 40% of its black earth soils.¹²

Areas with favourable conditions for agriculture, where a favourable climate is combined with fertile black earth soils, include the North Caucasus, the Central Black Earth Region, the Middle Volga Region and Southern Siberia.¹³ The area under cultivation is about 79.6 million hectares, of which approximately 46.3 million hectares (58%) is under grain and leguminous crops.

Another important factor is the availability of material and technical resources for crop production and livestock. Specifically, there is a lack of agricultural equipment, where tractor fleets are poorly renewed, and new machinery does not fully compensate for the retired equipment. Moreover, there is a serious import dependence, primarily when it comes to combine harvesters, agricultural equipment, insecticides, seeds, animal fodder.

Since 2017, the Russian government has been focusing on the use of digital technologies in agriculture (e.g., delineating fields using satellite navigation systems; monitoring crop conditions

using remote sensing; digital mapping and yield planning; using unmanned agricultural machinery, etc.). However, only 10% of arable land is currently managed using digital systems.¹⁴

The development of new technologies and the use of modern machinery requires well-qualified specialists, who are few and far between in the agricultural sector. This is also due to the poor salaries, which are officially below the Russian average (58.7% of the national average in 2018),¹⁵ the increasing trend towards urbanization, and the lack of prestige of most professions in the agricultural sector. Nevertheless, these factors do not prevent Russia from producing food in sufficient quantities, ensuring its food sovereignty, and allowing to act as the world's largest agricultural exporter.

One of the pillars to the Food Security Doctrine of Russia is self-sufficiency, because only by providing the necessary number of products can the country fully realize its export potential. Below are the dynamics of food self-sufficiency in Russia.

In the early 1990s, Russia was the largest grain importer in the world. For instance, in 1992, it imported 30 million tonnes of grain. The reason was simple – to satisfy domestic consumption. Domestic grain production has increased gradually since then, with legume crops now being the main crop produced in Russia (24.5% in 2020).¹⁶

Russia has moved from meeting domestic needs to exporting grain. This was a focus of government policy (the Food Security Doctrine and the federal project “Export of Agro-Industrial Products”). In 2009, Russia declared that, for the first time in many years, it was in a position to export grain. Today, Russia is one of the leading exporters of grain and the leading wheat exporter.

¹² Long-term Strategy Development of the Grain Sector of the Russian Federation until 2035. <https://mcx.gov.ru/upload/iblock/4cc/4c-cb020acf06ff1823e0c06e8a6d8aa8.pdf?ysclid=l14xrrd9eg>.

¹³ Ibidem.

¹⁴ Ibidem.

¹⁵ Ibidem.

¹⁶ Agriculture in Russia. 2021. Rosstat (2021), 24. https://rosstat.gov.ru/storage/mediabank/S-X_2021.pdf.

Table 1. Russia's food self-sufficiency (%)

Agricultural production (minimum level according to the Doctrine)	2010	2013	2014	2015	2016	2017	2018	2019	2020
grain – at least 95%	93.3	140.6	153.7	149.1	160.0	170.6	147.2	155.5	165.6
potatoes – at least 95%	73.4	96.4	98.0	102.1	93.2	91.1	95.3	95.1	89.2
milk and dairy products – at least 90%	80.4	77.1	78.1	79.9	80.7	82.3	83.9	83.9	84.0
meat and meat products – at least 85%	72.2	78.5	82.8	88.7	90.6	93.5	95.7	97.4	100.1
Table salt – at least 85%	58.0	50.4	45.2	65.8	66.2	63.9	67.3	65.0	65.5
sugar – at least 80%	89.6	93	93.2	94.2	95	96	108.0	125.4	99.9
vegetable oil – at least 80%	N/A	81.4	85	82.5	142.6	153.5	157.4	179.1	200.0
fish products – at least 80%	N/A	N/A	N/A	N/A	140.6	138.7	158.5	152.8	160.7
vegetables and gourds – at least 90	76.5	83.1	84.2	86.8	87.4	87.6	87.2	87.7	86.3
seeds of major crops – at least 75%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	62.7
fruit and berries – at least 60%	26.8	31.8	32.5	32.5	36.5	33.1	38.8	40.2	42.4

Source: Compiled by the authors on the basis of Rosstat sources.

Russia and Ukraine in Global Agrifood Markets: Mapping Global Import Dependency

Russia and Ukraine are both net exporters of agricultural products, and prominent players in the global fertilizer markets. In 2021, the two countries ranked amongst the top three global exporters of sunflower seed, barley and wheat (see Figure1). Russia is the largest exporter of wheat, while Ukraine is the biggest exporter of sunflower oil. The countries are competitors in the global food market.

Russia also stood as the world’s top exporter of nitrogen fertilizers, the second leading supplier of potassium fertilizers and the third largest exporter of phosphorous fertilizers.¹⁷

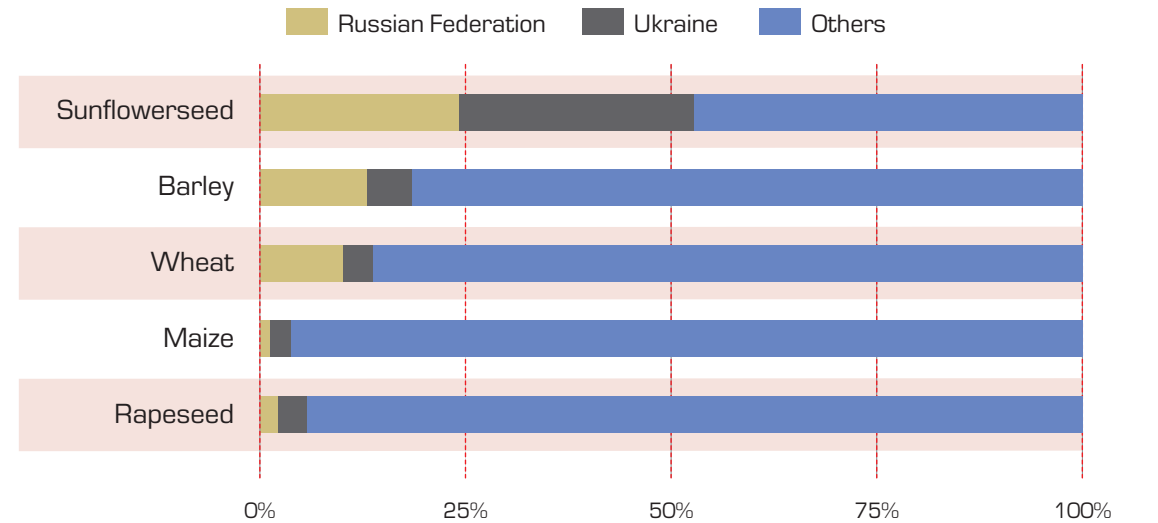
At the same time, the developing countries in Africa, Asia, the Middle East and some Latin American countries are net importers of food (see Figure 2). Some of them are heavily dependent on deliveries from Russia and Ukraine, while others are entirely dependent

on them. Tellingly, these are non-Western countries, many of which are categorized as the “Least Developed Countries” and “Low-Income Food-Deficit Countries.”

Many of Russia’s nearest neighbours depend on Russian wheat for more than 80% of their consumption (Armenia, Mongolia, Azerbaijan, Georgia, Belarus), while numerous countries in Africa (Congo, Namibia, Senegal, Cameroon, Madagascar and Tanzania) depend on Russia for over 60% of their wheat imports (see Figure 3). The biggest importers of wheat (Egypt, Turkey, Bangladesh and the Islamic Republic of Iran) source 60% or more of their wheat imports from Ukraine and the Russian Federation on average (2016/17–2020/21).

Thus, supplies of agricultural products and fertilizers from Russia and Ukraine influence the global food security context.

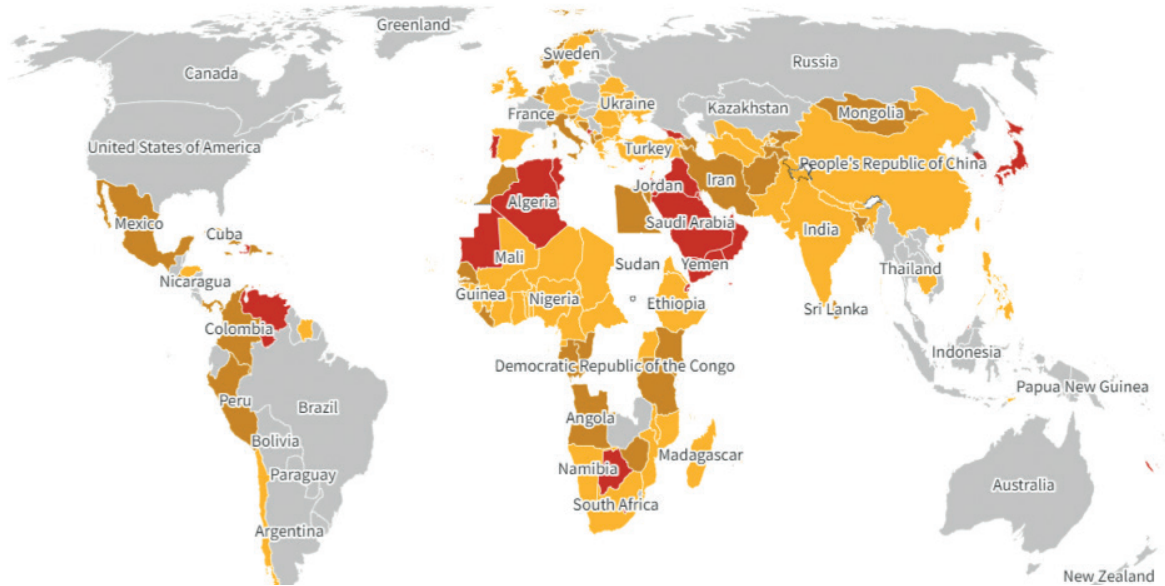
Figure 1. Share in the Global Production of Selected Crops (2016/17–2020/21, Avg.)



Source: FAO XCBS system.

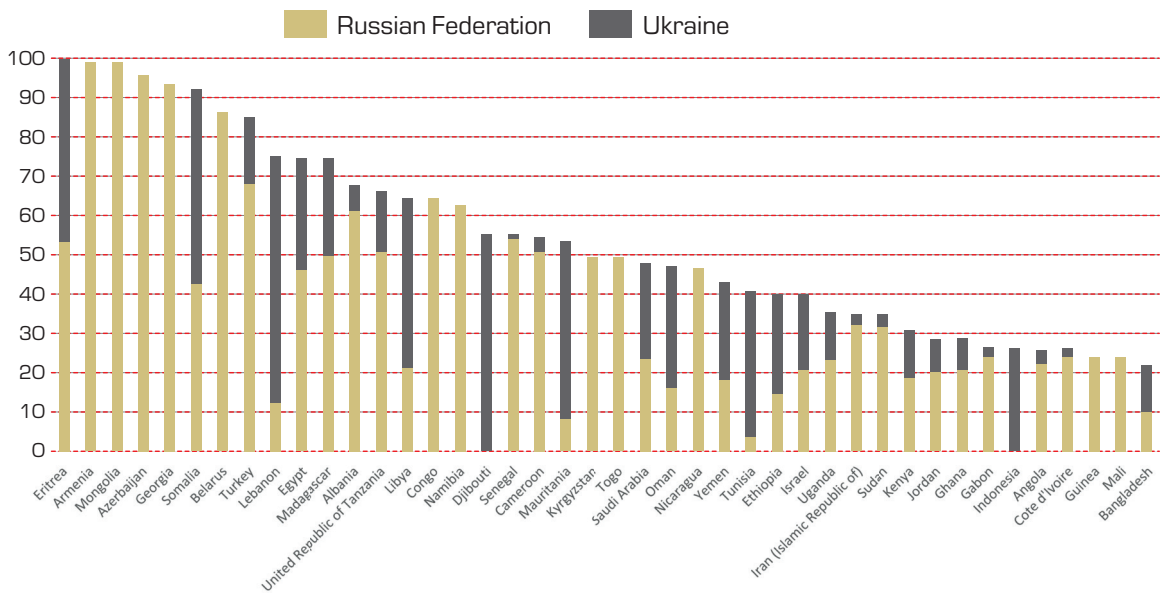
¹⁷ “Impact of the Ukraine–Russia Conflict on Global Food Security and Related Matters under the Mandate of the Food and Agriculture Organization of the United Nations (FAO),” April 8, 2022. <https://www.fao.org/3/nj164en/nj164en.pdf>.

Figure 2. Net Food Imports as a Percentage of Domestic Food Supply.



Source: UN Food and Agriculture Organization’s Global Perspective Studies (2018). World Bank Group.

Figure 3. Wheat Import Dependency, net importers only, 2021, %.



Source: FAO. “Impact of the Ukraine–Russia Conflict on Global Food Security and Related Matters under the Mandate of the Food and Agriculture Organization of the United Nations (FAO).” Hundred and sixty-ninth Session, April 8, 2022.

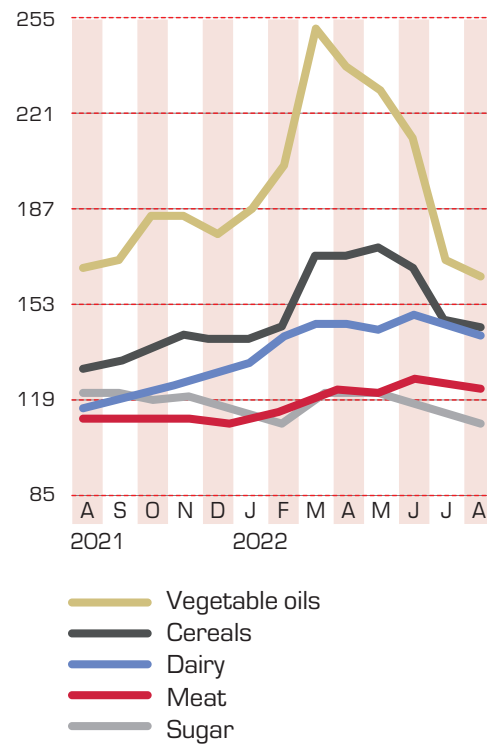
Long-Term Nature of the Global Food Crisis

In recent months, Russia has been repeatedly accused of stoking the global food crisis. However, the nature of the current crisis is much broader and deeper, and its aggravation in 2022 is by no means due to Russia's unwillingness to provide the world with food, but primarily to the Western coalition's sanctions campaign against the country.

When attempting to pin the blame on Russia and turn the maximum number of global food importers against Russia, the West fails to mention three important points:

First, food shortages, inflation (agflation), and the growing number of malnourished people in Africa were all issues of increasing concern long before the start of the Ukraine conflict in February 2022. The UN statistics shows that world hunger increased dramatically in 2020 on the back of the COVID-19 pandemic, from 720 million to 811 million people¹⁸. An estimated 418 million people in Asia, and 282 million people in Africa, are considered undernourished.¹⁹ According to the United Nations Food and Agriculture Organization, food prices rose by 23.1% in 2021,²⁰ and the burden falls most heavily on residents of emerging and low-income nations, where food typically makes up a third to half of consumer spending.²¹ Over the course of 2021, global prices of wheat and barley rose 31% compared to 2020, buoyed by strong global demand and the limited export availability caused by poor weather conditions in various major wheat and barley exporting countries.²² In the rapeseed oil and sunflower seed oil sectors, prices grew by 65% and 63%, respectively,

Figure 4. FAO Food Commodity Price Indices



ly, in 2021. International benchmark prices of fertilizers rose similarly throughout 2021, with many quotations reaching all-time highs. The most notable increases were seen in nitrogen fertilizers. On the demand side, the higher output (crop) prices registered in 2021 boosted the affordability of fertilizers, thereby pushing fertilizer prices upwards (see Figure 4).²³

Second, the increase in global food prices in the first half of 2022 is largely due to export restrictions imposed by a number of the world's

¹⁸ The world is at a critical juncture. The State of Food Security and Nutrition in the World 2021. FAO. Available at: <https://www.fao.org/state-of-food-security-nutrition/2021/en/>.

¹⁹ 282 million face malnutrition in Africa- UN report says. Africa News. July 13, 2021. <https://www.africanews.com/2021/07/13/282-million-face-malnutrition-in-africa-un-report-says/>.

²⁰ FAO Food Price Index. <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>.

²¹ Jorge Alvarez, Philip Barrett. Global Inflation Pressures Broadened on Food and Energy Price Gains. IMF. January 28, 2022. <https://www.imf.org/en/Blogs/Articles/2022/01/28/global-inflation-pressures-broadened-on-food-and-energy-price-gains>.

²² Impact of the Ukraine-Russia conflict on global food security and related matters under the mandate of the Food and Agriculture Organization of the United Nations (FAO). 2022. <https://www.fao.org/3/nj164en/nj164en.pdf>.

²³ Ibidem.

largest exporters (India, Indonesia, Malaysia, Serbia, Egypt, Brazil, and Argentina). In total, 25 countries have adopted export restrictions, thus affecting upwards of 8% of global food trade.²⁴ While most of the restrictions have already been lifted, they have significantly shaken the markets, undermining confidence and giving rise to fears of future shortages.

Third, global inflation (including rising food prices) is largely the result of economic quantitative easing programs carried out in the United States in recent years, uncontrolled US dollar emission and excessive global money supply.

Commodity prices are particularly susceptible to US monetary policy. Expansion of the US dollar supply typically results in commodity price increases.²⁵ Simultaneously, diminishing food supply is an inevitable consequence of urbanization, which affects all regions of the world, including Africa, and causes a shortage of agricultural workers. Moreover, the problem is exacerbated by the rising burden of foreign debt to international financial institutions that forces the least developed countries (mainly those in Africa) to spend funds on servicing debts instead of development programmes.²⁶

²⁴ WTO, IMF, World Bank Call for Trade Restrictions to Be Lifted. JTasnim News Agency. July 16. 2022. <https://www.tasnimnews.com/en/news/2022/07/16/2743987/wto-imf-world-bank-call-for-trade-restrictions-to-be-lifted>.

²⁵ Food Price Spikes and Social Unrest: The Dark Side of the Fed's Crisis-Fighting. Foreign Policy. May 20. 2020. <https://foreignpolicy.com/2020/05/20/food-price-spikes-and-social-unrest-the-dark-side-of-the-feds-crisis-fighting/>.

²⁶ Food Crisis and Sanctions. Valdai Club. June 10. 2022. <https://valdaiclub.com/events/posts/articles/food-crisis-and-sanctions/>.

Impact of the Anti-Russian Sanctions on Food Security

The economic sanctions imposed on Russia hinder food supplies from Russia. Under the conditions, the massive sanctions attack on the Russian economy after February 2022 was another major factor in the destabilization of global food markets.

The US financial and trade restrictions enshrined in Executive Orders 14065, 14066, 14068, 14071²⁷ together with the United Kingdom's Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022 and the Customs (Additional Duty) (Russia and Belarus) (Amendment) Regulations 2022,²⁸ and seven legalized EU sanctions packages (in the EU Council adopted Decisions and Regulations²⁹) have had a catastrophic impact on the global food situation. In this regards, there are several challenges:

1. Transportation challenges. Disruptions in the supply of Russian food led to transport shortages, on the one hand, and an increase in cost, on the other. From March 1, 2022, the three largest global container carriers – MSC, Maersk and CMA CGM – have stopped transporting goods from Russia, regardless of their industry affiliation.
2. Financial Challenges. The disconnection of a number of Russian banks from the SWIFT system had limited the ability to conduct foreign exchange transactions under foreign trade contracts, including fertilizers and agricultural products. Credit lines for the purchase of Russian

grain have actually been frozen in many banks, and difficulties in cargo transportation insurance remain.

3. Energy Challenges. Agriculture absorbs high amounts of energy directly, through the use of fuel, gas and electricity, and indirectly, through the use of agri-chemicals such as fertilizers, pesticides and lubricants.³⁰ The high and extremely volatile energy prices caused by the sanctions against Russia, the trade embargos, and the restrictive measures taken against NordStream 2 cause agricultural prices to rise. Moreover, higher energy prices also make agricultural feedstock (especially maize, sugar and oilseeds/vegetable oils) competitive for the production of bioenergy and, given the large size of the energy market relative to the food market, this could pull food prices up to their energy parity equivalents.³¹ This was the case for Brazil, which canceled some sugar export contracts, diverting production to ethanol in order to cash in on high energy prices.³²
4. Trade restrictions on agricultural machinery. Direct import bans on components for agricultural machinery from EU countries have created difficulties for Russian farmers in terms of maintaining such equipment. At the same time, some suppliers of imported agricultural machinery, in particular, the John Deere company in the United States, unilateral-

²⁷ For more detail, see U.S. Department of the Treasury Executive Orders (EO) <https://home.treasury.gov/policy-issues/financial-sanctions/additional-ofac-resources/ofac-legal-library/executive-orders-eo>.

²⁸ For more detail, see the UK Legislation <https://www.legislation.gov.uk/primary+secondary/2022?title=Russia>.

²⁹ For more detail, see EU restrictive measures <https://eur-lex.europa.eu/EN/legal-content/summary/eu-restrictive-measures-in-view-of-russia-s-invasion-of-ukraine.html>.

³⁰ The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict. March 25, 2022. <https://www.fao.org/3/cb9236en/cb9236en.pdf>.

³¹ Ibidem.

³² Marcelo Teixeira. Brazil mills cancel sugar export contracts, shift output to ethanol. May 17, 2022. <https://www.reuters.com/markets/commodities/brazil-mills-cancel-sugar-export-contracts-shift-output-ethanol-2022-05-17/>.

ly revised the cost of supplies for deliveries that had already been made and paid for. As a result, the cost of the necessary components rose by three to five times. In the long term, the market will return to normal due to the decrease in import dependence and successful import substitution made possible by large-scale financial support measures. However, in the short term, the increase in production costs will be factored into the export prices, and possible crop losses associated with the shortage of harvesting equipment will fall not on domestic consumption, but on the export component, reducing the volume of world supply.

July 2022 proved to be a turning point for the global food and fertilizer market. The American Office of Foreign Assets Control (OFAC) lifted some of the restrictions by allowing transactions with Russia related to the supply of food, seeds, inorganic fertilizers, etc. General License 6A was replaced by the new General License 6B. In July, the European Union revised the seventh sanctions package, removing a number of financial restrictions on Russian oil and food.

Simultaneously, in Istanbul, Russia, Turkey and the United Nations signed two documents aimed at solving problems with the supply of fertilizers and food to world markets: 1) Memorandum of Understanding between the Russian Federation and the Secretariat of the United Nations on Promoting Russian Food Products and Fertilizers to the World Markets; and 2) an “unprecedented agreement” on the resumption of Ukrainian grain exports via the Black Sea.

However, amid the ever-increasing tensions, it would be naïve to believe that the partial lifting of sanctions will immediately result in the full willingness of market participants to conduct non-sanctioned transactions with Russian goods. It is important to understand that many individuals associated with agricultural assets are subject to personal sanctions. The overcompliance factor also remains, which also destabilizes markets. Transport and insurance companies continue to hedge possible sanctions risks, trying to avoid deals with Russian cargoes. The easing of the EU sanctions is of limited nature. First, since the end of August, the European Commission has been repeatedly asked whether the sanctions regime against Russia means that Russian ships carrying grain or fertilizers cannot be insured, but it has thus far not been able to give an answer. Second, the second part of the Istanbul grain agreement of July 22 has not actually been implemented. The European Union has not unblocked Russian supplies of grain and fertilizers, and an explanation issued on August 10 indicated that only EU countries can buy Russian fertilizers, while supplies to third countries through European ports are still prohibited. As a result, hundreds of thousands of tonnes of Russian grain and fertilizers are blocked in European ports as stockpiles.

The attack on the Nord Stream pipelines and active discussion of a new set of anti-Russian sanctions, which includes price caps on Russian energy exports, further push inflationary expectations, although recent declines in agricultural commodity and energy prices (in July and August) were expected to ease price increases across these categories through the remainder of 2022.

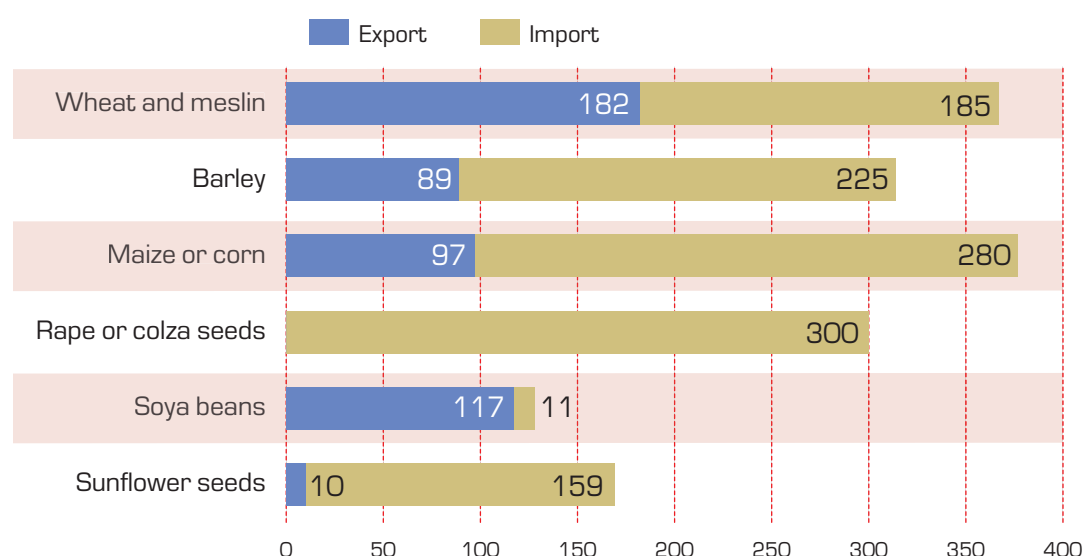
Who Benefits?

All this notwithstanding, certain parties have benefitted from the global food crisis and rising food prices. The sudden and steep reduction in Russian and Ukrainian shipments has increased exports from other origins. To replace the shortages, including as a result of restrictions on Russian food, a number of European countries are increasing their exports at a record pace. Compared to the same period in 2021, the United Kingdom has increased its exports of wheat and meslin tenfold, while Spain has tripled, and France almost doubled their respective exports. A record increase in barley exports has been recorded since March 2022 in Slovenia, Germany and Ireland, and in July 2022 in the United Kingdom and Lithuania. The United Kingdom, France, Portugal and, in the summer months, Lithuania and Estonia, have benefited from the growing supply of maize and corn. Key beneficiaries of the export of rape or colza seeds include the United Kingdom, the Czech Republic, Estonia and Belgium, while France, Italy, the Czech Republic, Latvia and Estonia have benefitted greatly from the supply of soya beans and sunflower seeds. France has also become the main regional supplier of fertilizers.

In the context of increased prices (as compared to 2021), European farmers have recorded record export yields. Having benefited greatly from its role as a “peacemaker” in negotiations between Russia and the United Nations, Turkey has become the largest food re-exporter. In recent months, the country has replenished its import food stocks at a record pace, including rape and colza seeds, maize, corn, barley, wheat, meslin, and sunflower seeds (see Figure 5), re-selling them to third countries.

European players, including Turkey, have been the main beneficiaries of the unblocked Black Sea ports following the signing of the landmark agreement in July. Out of 87 ships carrying grain that left Ukrainian ports, 32 remained in Turkey, 30 went to EU countries, 7 to Egypt, 3 to South Africa, 3 to Israel, and only 2 went to the poorest countries (Yemen and Djibouti). Some low- and middle-income countries stand to gain from the shock, such as: (1) India, where wheat exports reached an all-time high in March; (2) Brazil (wheat and meslin, maize, sunflower seeds); (3) Paraguay (maize); (4) Indonesia (barley, maize); and (5) Malaysia (maize, soya beans).

Figure 5. Growth Rates in Turkey’s Foreign Trade of the Most Sensitive Agricultural Products (monthly average for March–July, 2022), %.



Source: Trade Map ITC Statistics <https://www.trademap.org/>.

Conclusion

- The economic sanctions imposed on Russia (including transportation and financial restrictions) have substantially affected food supplies from Russia, and exacerbated the dramatic worsening of world hunger and global inflation. Global food insecurity was already on the rise before the 2020 COVID pandemic, which only worsened the present situation.
- There are a number of obvious beneficiaries of the food supply shortages. Several European countries, such as the United Kingdom, France, Spain, Slovenia, Germany, Ireland and the Czech Republic, are rapidly increasing their export yields. Moreover, the European countries were among the key destinations of ships with Ukrainian grains from unblocked Black Sea ports.
- African countries are most at risk which will only increase the gap between the Global North and the Global South. As we are approaching the end of 2022, it is evident that the global community is moving farther away from its goal of ending hunger by 2030.

About If IS

The Institute of International Studies (If IS) is a leading policy think-tank at Moscow-based MGIMO University.

Since 1976, our mission has been to conduct in-depth research and provide policy recommendations on issues of national security, foreign policy and international studies.

Today, If IS is made up of 12 centers and laboratories that are dedicated to conducting academic research and advancing practical ideas to address global and regional challenges facing Russia.

The institute prides itself on blending its well-established traditions of academic research with an increasingly young and driven team of professionals in the field.



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