

170th Session of the Council

Item 6: 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)

The document submitted for the Council provides an overview of all major issues and risks related to the war in Ukraine, and presents policy recommendations and FAO's proposals to deal with the consequences of the conflict on food security, both in Ukraine and globally.

It is an update of the document presented to the 169th Session of the Council held on 8 April 2022, consonant with the reporting of FAO's work on the matter under its mandate to its Governing Bodies, most recently to the 33rd Session of the Regional Conference for Europe.

Separately, activities undertaken in relation to the Ukraine war by other bodies, including Article XIV Bodies, are reported similarly to their respective members through the relevant reporting mechanisms.

The conflict has resulted in a massive and deteriorating food security situation in Ukraine, creating disruptions to livelihoods during the agricultural growing season, constraints to access inputs, and damage to homes, productive assets, agricultural and forest land, roads and other infrastructure, as well as to the environment. The war has also led to closure of ports, affecting maritime transportation.

The Russian Federation and Ukraine are major producers and exporters of key food commodities, playing leading roles in supplying world markets. Over the past three years (2018/19 - 2020/21), combined, they accounted for 30 percent and 20 percent of global wheat and maize exports, respectively, and close to 80 percent of sunflower oil exports. Given the export market concentration in foodstuffs, reduced exports from these two countries can have significant impacts on world prices and food security. Furthermore, the Russian Federation is a leading exporter of fertilizers.

While international food commodity prices, as measured by the FAO Food Price Index (FFPI), have been on an upward trend since mid-2020 due to multiple factors, in March 2022, they posted a significant leap and reached an all-time high in both nominal and real terms, largely due to the war. Although world prices of all commodity groups covered by the FFPI increased in March, those of cereals and vegetable oils, for which Ukraine and the Russian Federation play significant roles, were affected the most; rising by 17.1 percent and 23.2 percent, respectively, compared to February. In April a very small decline was observed, indicating that prices still remained at its highest level.

FAO's support to Ukraine is provided through four main activities: i) immediate support to spring vegetable planting for the most vulnerable; ii) cluster coordination; iii) planning for broader support to small and medium scale farmers to secure cereal and livestock production and bolster supply chains; and iv) regular reporting on the agricultural and food security situation in the country. Within the United Nations Flash Appeal, launched on 1 March 2022, FAO developed a rapid response plan requiring USD 50 million to assist about 100 000 vulnerable household family farms for the spring season. On 19 April 2022, within the UN's overall Flash Appeal revision, FAO updated its Rapid Response Plan for Ukraine, seeking USD 115.4 million to assist 979 320 rural people affected. About 9 percent of funds needed (USD 10.7 million) have been received to-date, enabling assistance for around 71 000 people.

In view of the potential negative impacts of the war on food security, both in Ukraine and globally, the document also contains a number of policy recommendations in order to reduce these impacts as much as possible. One distinctive recommendation is to keep trade in food and fertilizers open and avoid *ad hoc* and inward looking policies that can only exacerbate the situation. While such policies may work in the short term, they have adverse impacts over the medium term, both domestically and internationally.

In addition to the Rapid Response Plan, FAO has developed six concrete policy proposals to address the risks and impacts associated with the war. These include: i) establishing a Food Import Financing Facility (FIFF); ii) strengthening social protection for food security and nutrition; iii) assessing investment needs in Ukraine's agricultural reconstruction and recovery; iv) addressing animal health; v) assessing food

insecurity in 2022/23 at national and sub-national levels in 50 countries vulnerable to the Ukraine-Russia crisis; and vi) using soil maps to promote efficient use of fertilizers.

The Council is invited to note the information and provide guidance as deemed appropriate.

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