

**Multi-year Expert Meeting on Transport, Trade
Logistics and Trade Facilitation
11th Session**

Maritime Transport in Times of Polycrisis

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Trade Disruptions and Food Security

Presentation By

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Trade disruptions and food security

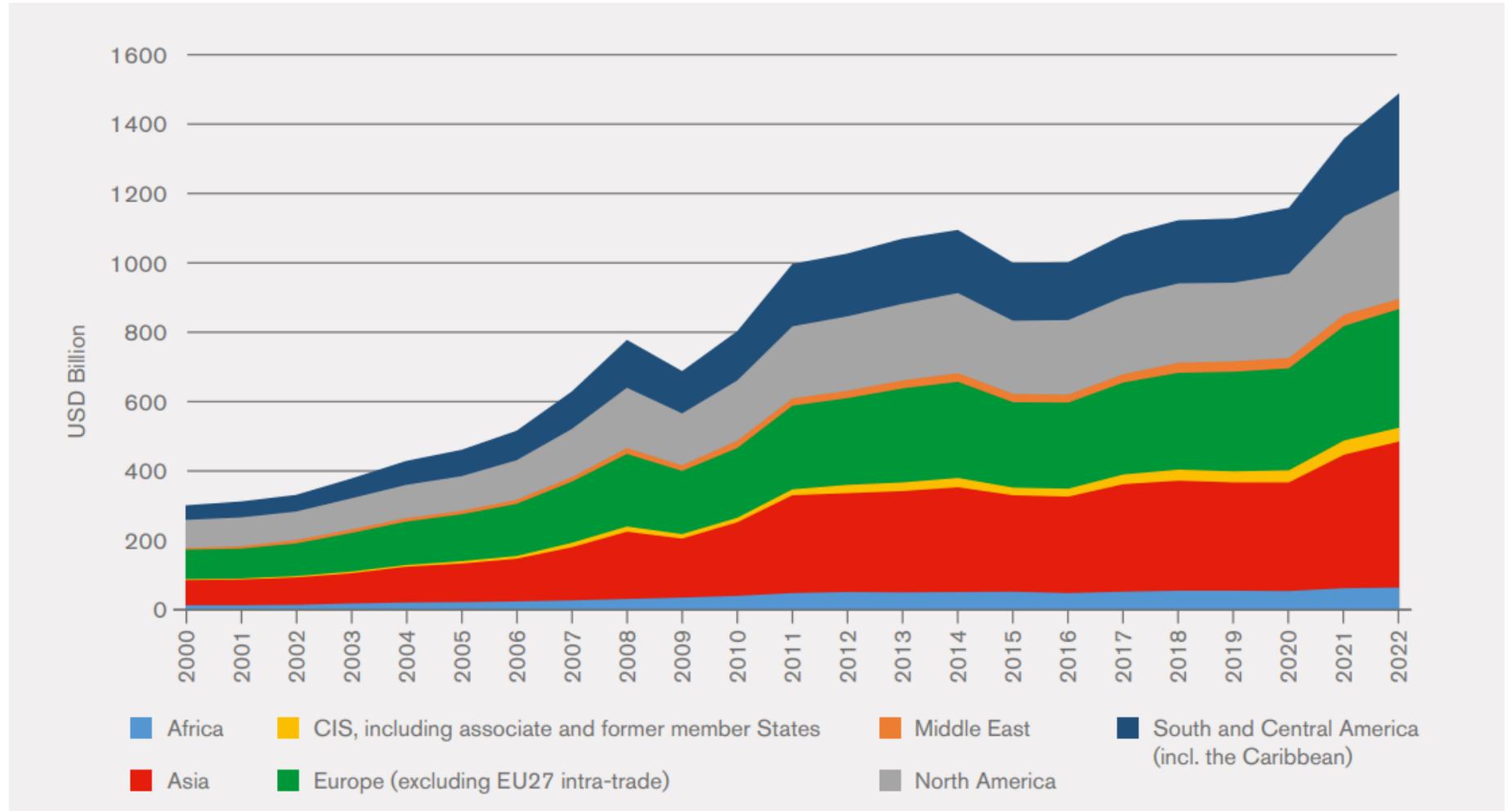
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Outline:

1. Are disruptions affecting trade?
2. Are trade disruptions affecting food security?
3. What can we expect to happen in the future?

1. Are disruptions affecting trade?

Agricultural trade value grew five-fold between 2000 and 2022



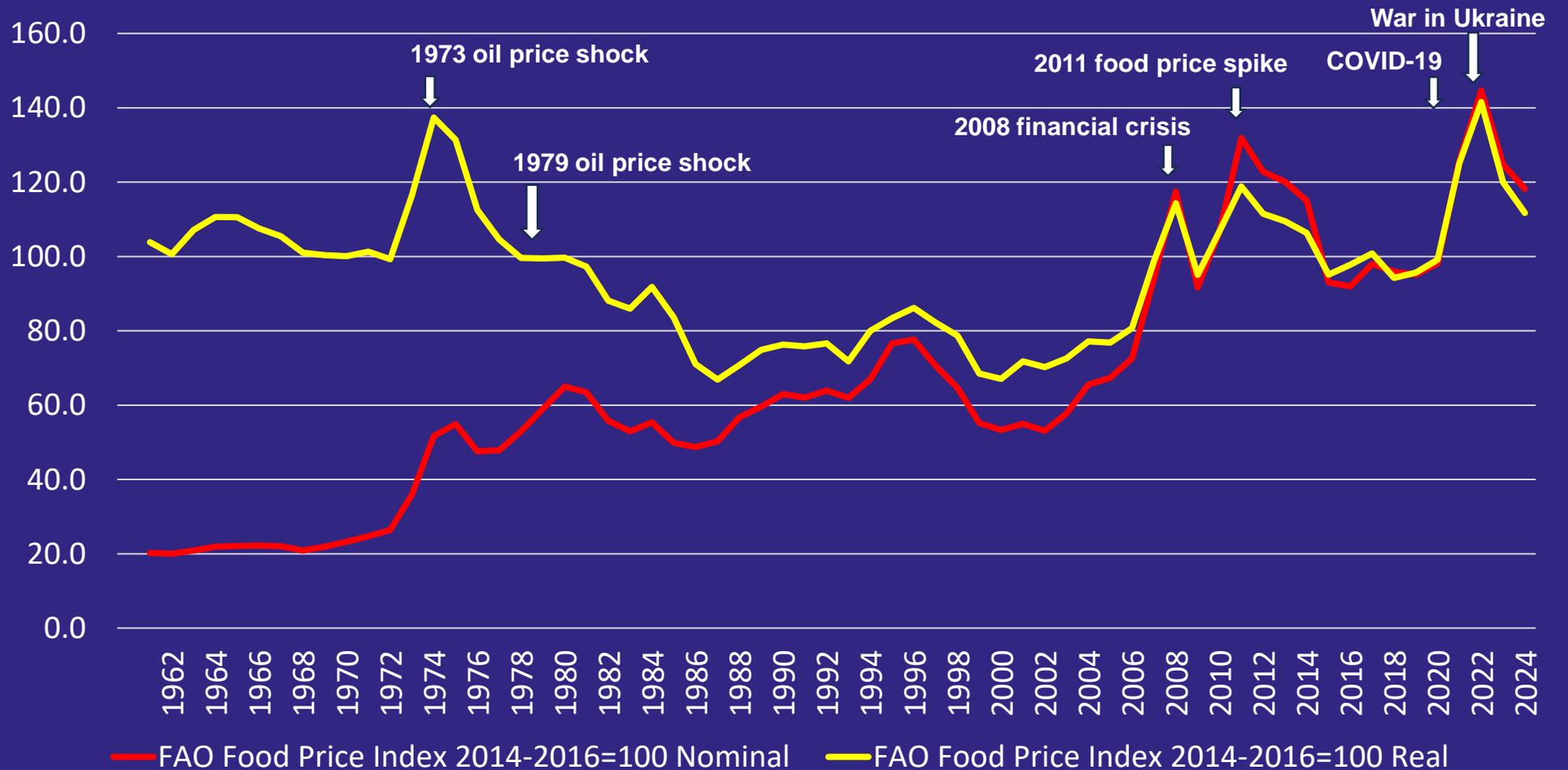
Source: WTO (https://www.wto.org/english/tratop_e/agric_e/ag_imp_exp_charts_e.htm).

Cited in WTO (2024), "WTO's contribution to attaining the UN Sustainable Development Goals: 2024 update to the High-Level Political Forum."

https://www.wto.org/english/res_e/booksp_e/un_hlpf24_e.pdf

BUT: disruptions have sparked volatility on global markets

FAO Food Price Index



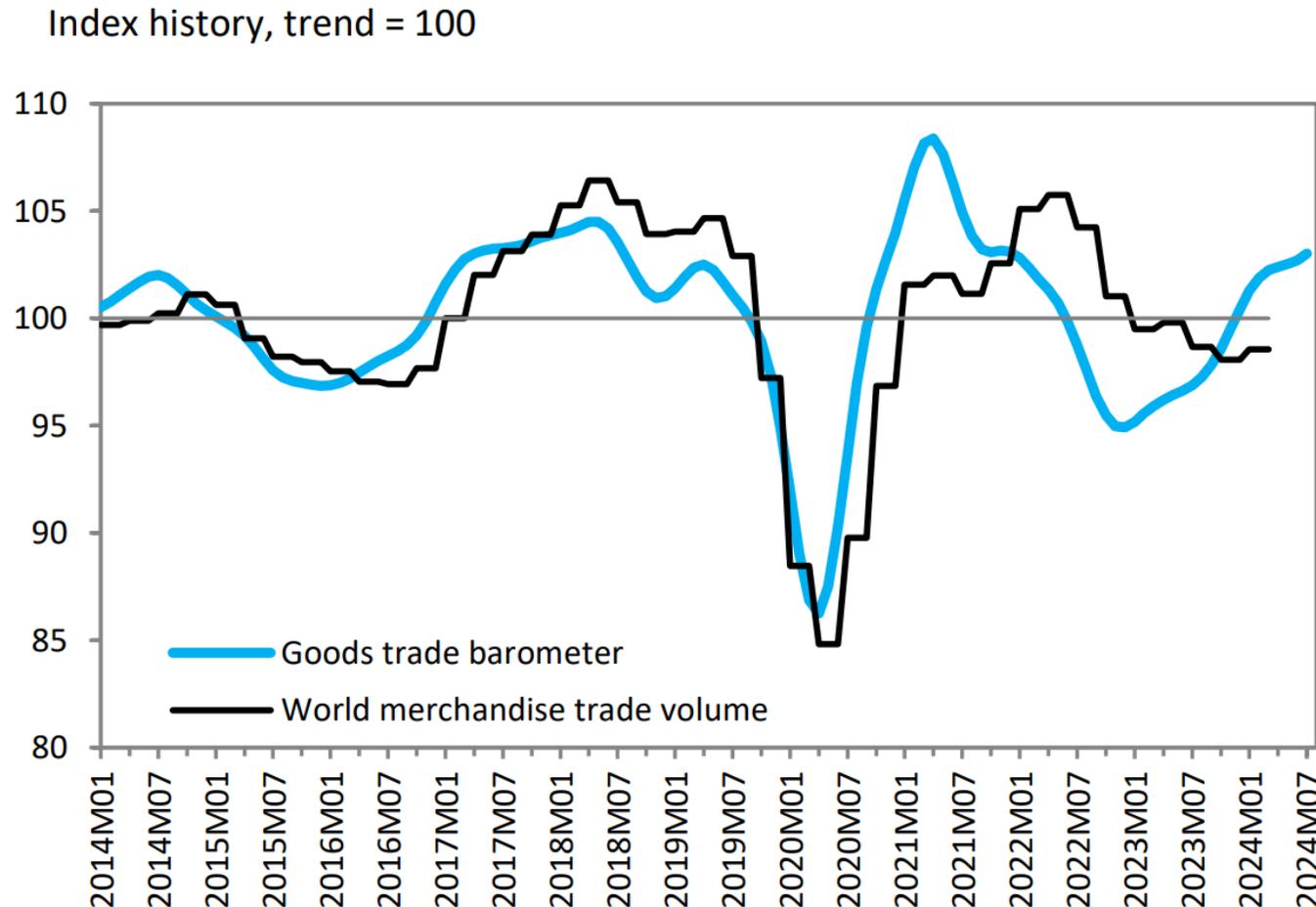
— FAO Food Price Index 2014-2016=100 Nominal

— FAO Food Price Index 2014-2016=100 Real

Source : FAO Food Price Index.

Note: Real price index is nominal price index adjusted by the World Bank unit value index of manufactured goods

The COVID-19 shock (and rebound): agriculture has been relatively resilient

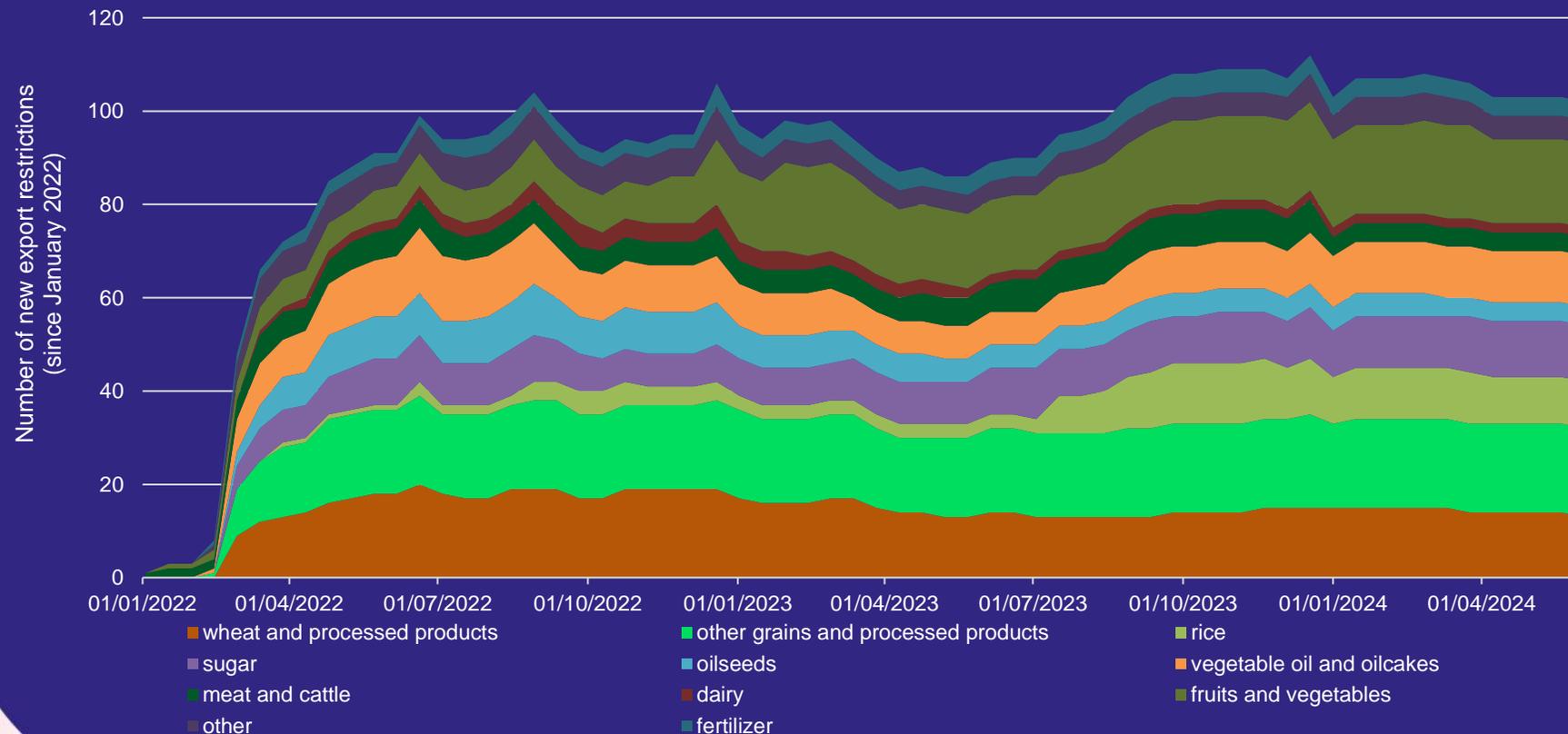


Source : WTO Goods Trade Barometer, September 2024
https://www.wto.org/english/news_e/news24_e/wtoi_04sep24_e.htm

- Initial trade shock (perishables, etc)
- Trade in bulk commodities less affected
- Govts took steps to keep food trade flowing

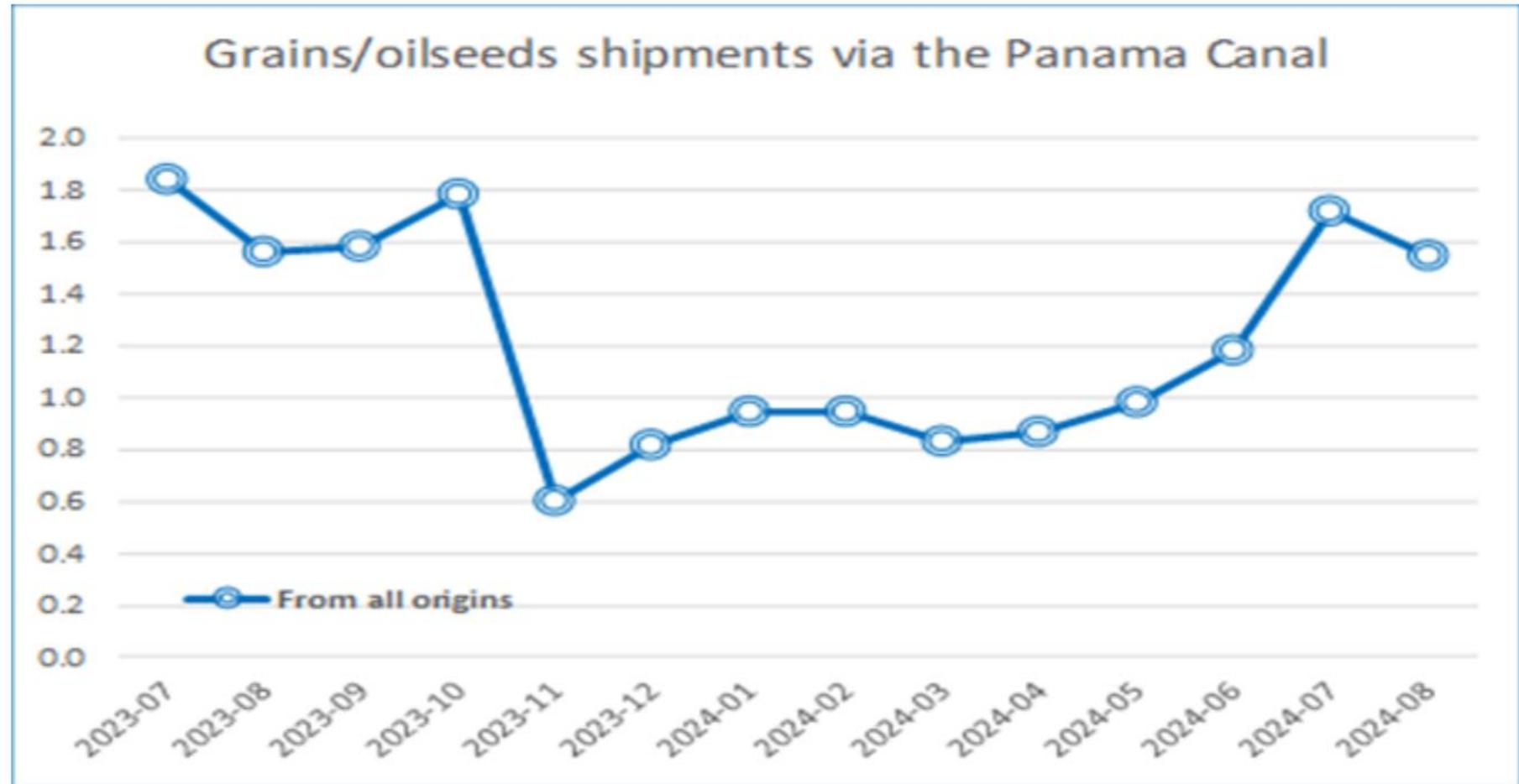
Many new food export restrictions: but some have become less restrictive over time

- Trade has helped countries cushion supply shocks due to the outbreak of war
- E.g. Ethiopia replaced Black Sea wheat exports with new suppliers (US, Argentina)



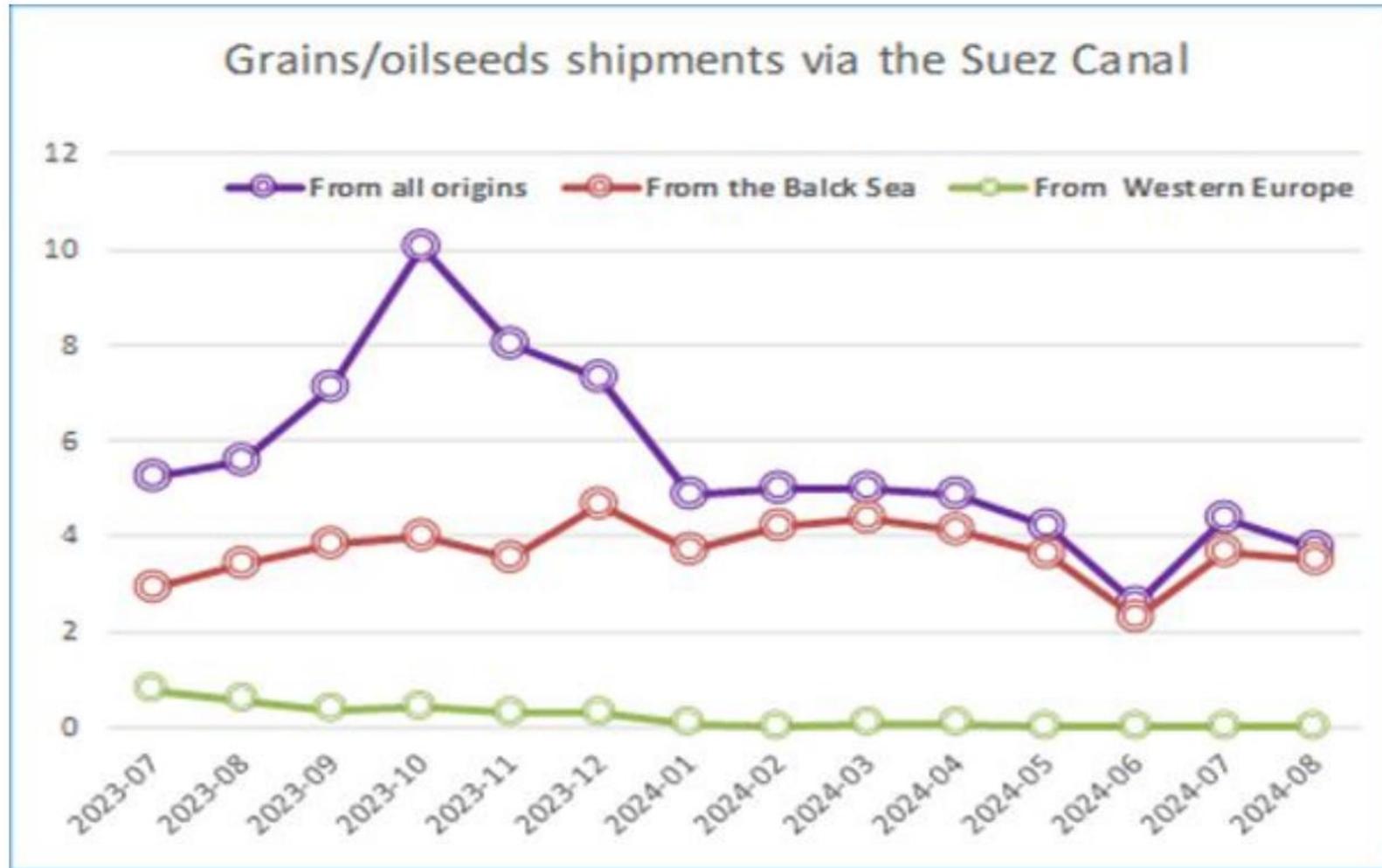
Source: WTO

Panama Canal shipments: fell in Nov 2023; recovered by mid-2024



Suez Canal shipments:

- Transits peaked in Oct 2023 (diversions from Panama Canal)
- Fell due to attacks in Nov 2023

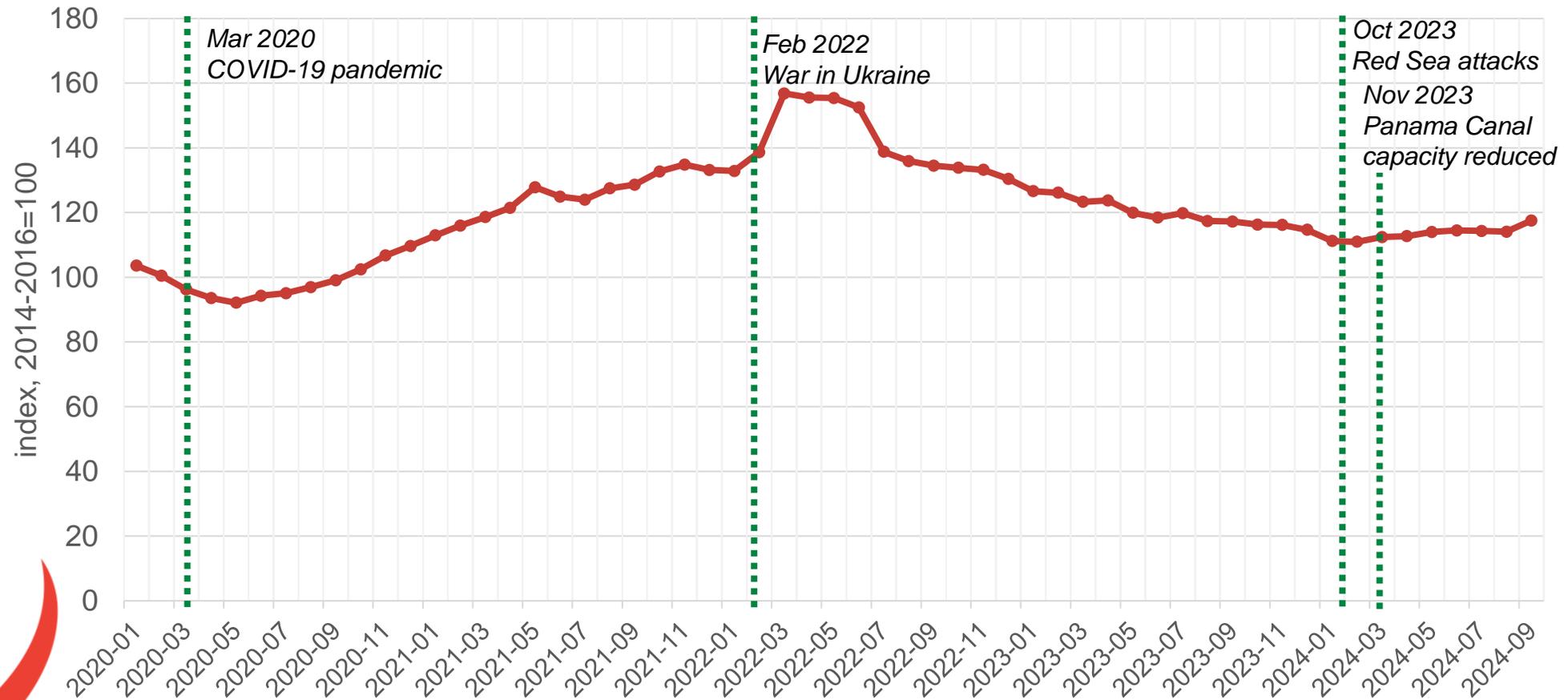


Source: International Grains Council (IGC) report to the WTO Committee on Agriculture, 23.9.2024. G/AG/GEN/238
<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/AG/GEN238.pdf&Open=True>

Trade disruptions in Panama Canal, Red Sea: limited impact on global food prices to date

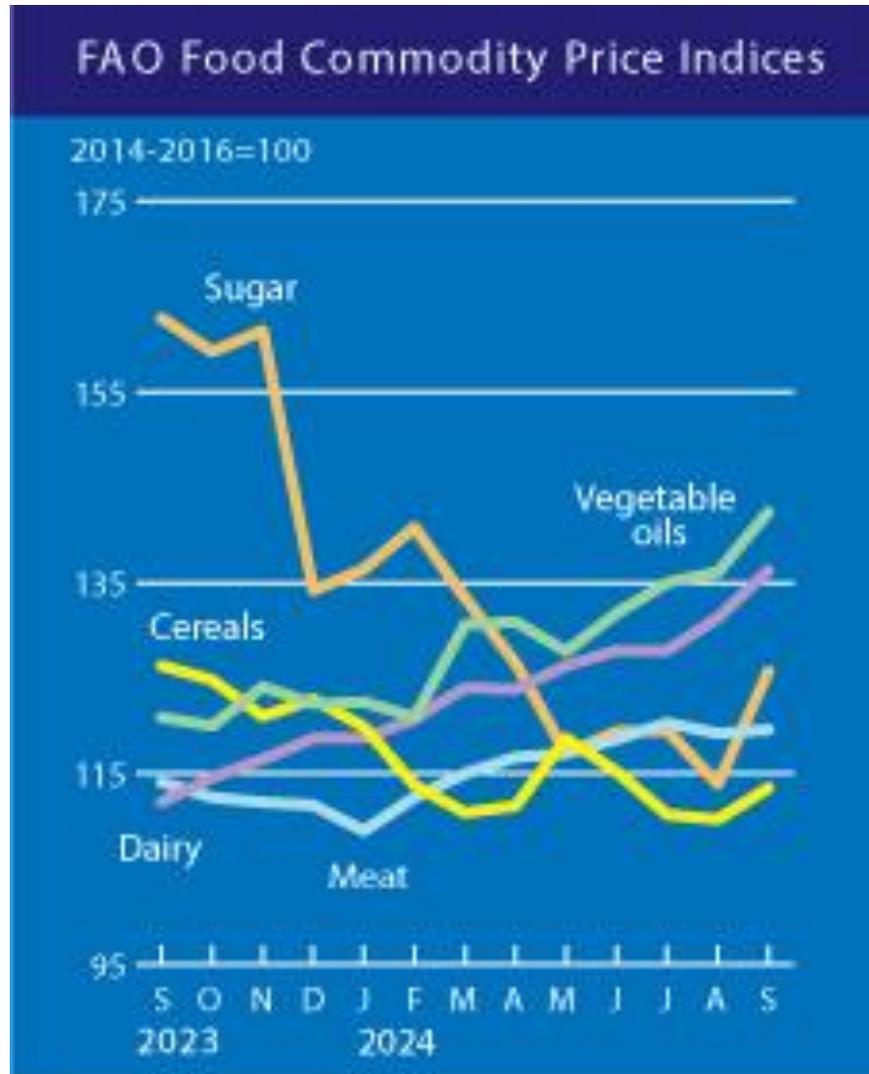


FAO monthly real food price index



Source: FAO Food Price Index. https://www.fao.org/docs/worldfoodsituationalibraries/default-document-library/food_price_indices_data_october.xls?sfvrsn=6a3c9e6e_107

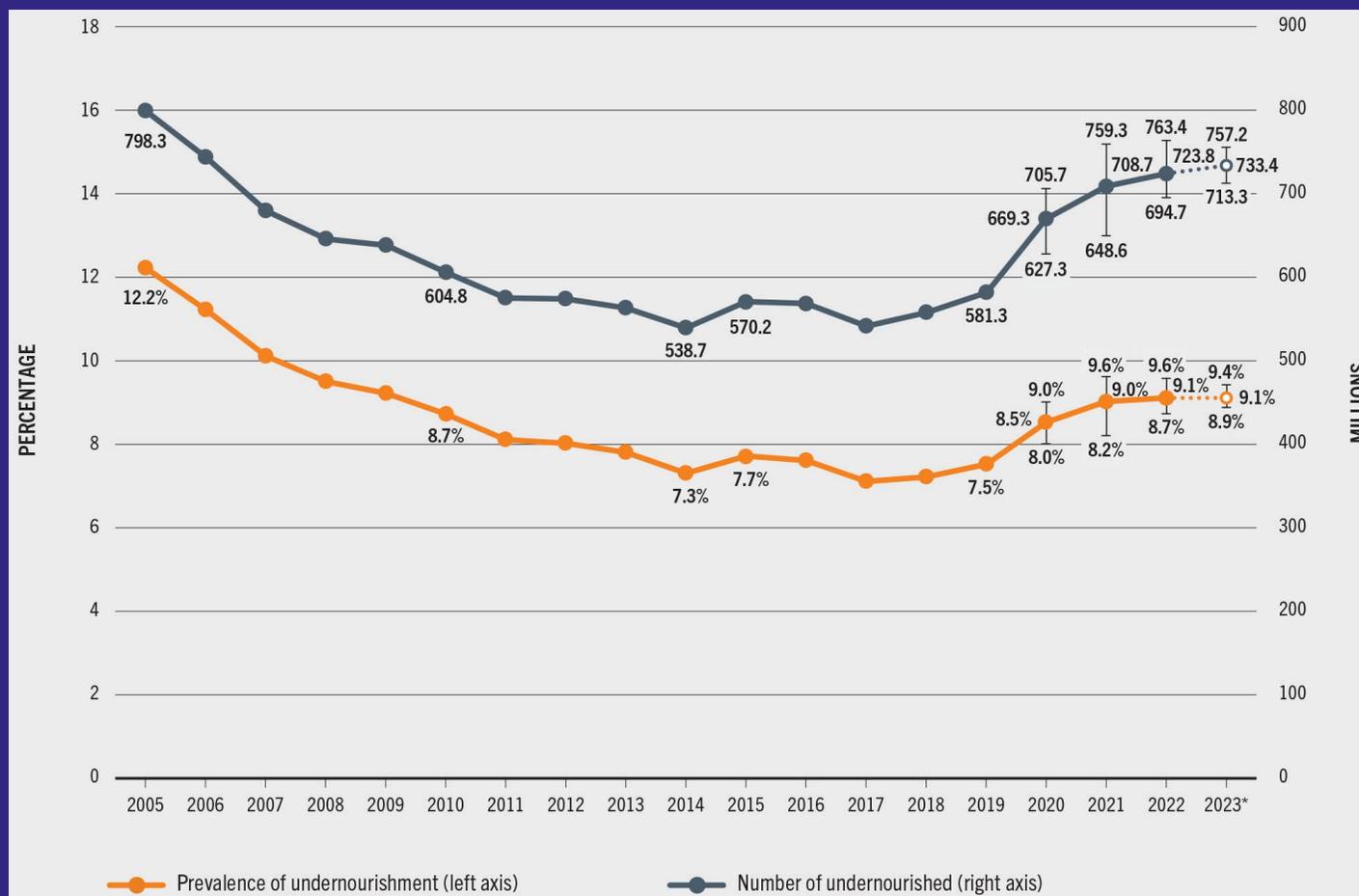
Cereal prices have also not been significantly affected by disruptions in Panama Canal, Red Sea



Source: FAO Food Price Index. https://www.fao.org/docs/worldfoodsituationlibraries/default-document-library/food_price_indices_data_october.xls?sfvrsn=6a3c9e6e_107

2. Are trade disruptions affecting food security?

Global hunger has risen since 2019, and stayed at the same level since 2021



Source: FAO

- 9% of people face hunger (733 mn)
- After 2008 financial crisis: progress stagnated; and went backwards after COVID, Ukraine war outbreak
- Trade has helped steadily reduce hunger in last two decades (e.g. China, Indonesia, Philippines, Vietnam etc)
- But: persistent poverty, conflict, impeding **access** to food + nutrition

3. What can we expect to happen in the future?

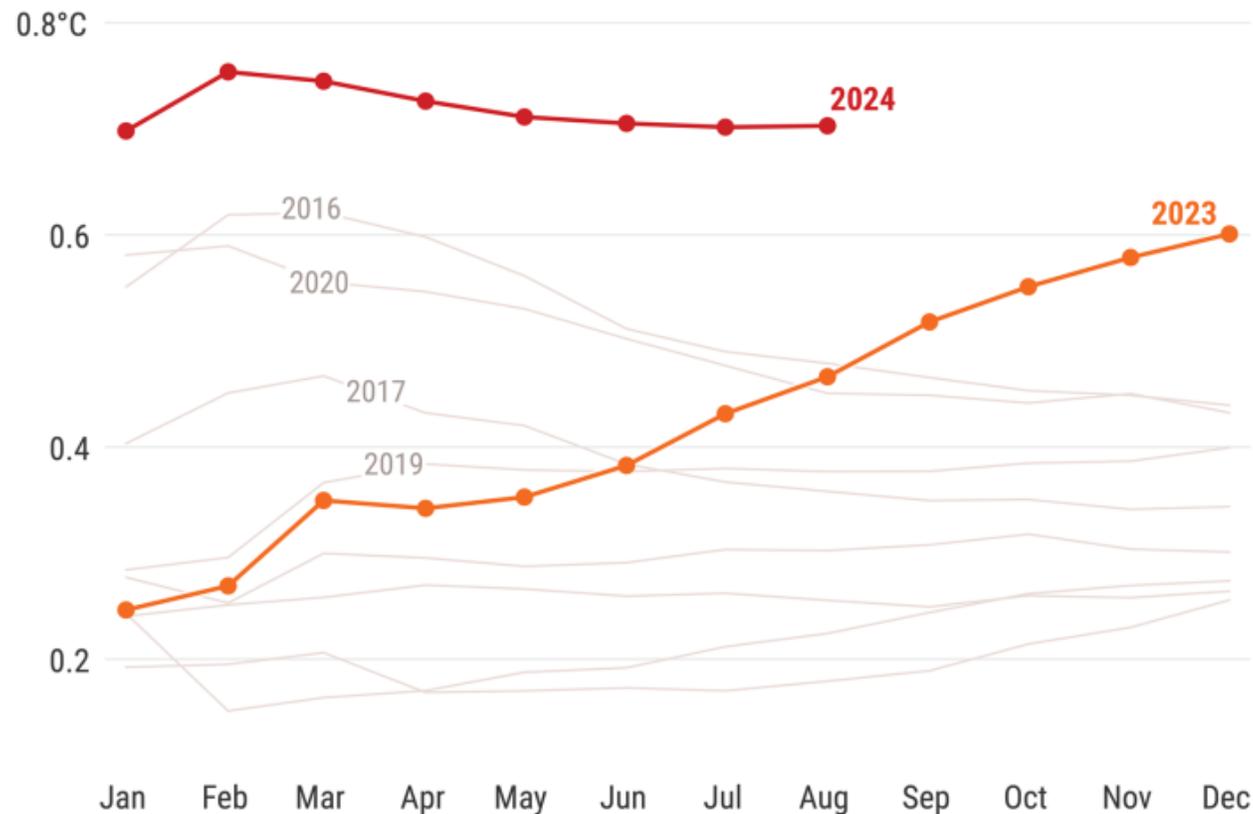
- WTO economists have found limited evidence so far that the world is fragmenting into discrete economic blocs
- Recent WTO projections show global goods trade is projected to grow 3.0% in 2025
- BUT: persistent risks due to geopolitical tensions and policy uncertainty

Climate change is also increasing the intensity and frequency of extreme weather events

Year-to-date global surface temperature anomalies



Anomalies relative to 1991-2020 for the ten warmest years



Data source: ERA5 • Credit: C3S/ECMWF

Conclusion:

- Trade remains key to improving the **availability** of food and agricultural goods on global markets
- Well-functioning markets for food and agriculture are also important in maintaining **stability** – another key dimension of food security
- WTO, along with other international agencies in AMIS, is working to ensure trade helps improve food security outcomes

Additional resources:

Agricultural Market Information System (AMIS):
monthly “Market Monitor”

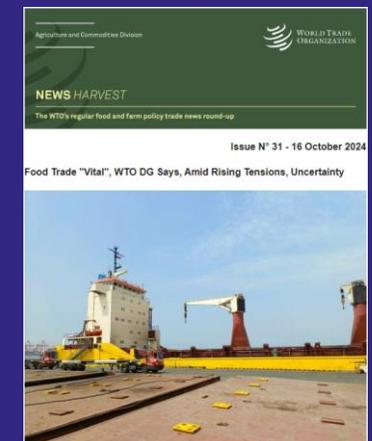
<https://www.amis-outlook.org/>



WTO “News Harvest”:

monthly round-up of news on food and agricultural
markets and policy

https://www.wto.org/english/tratop_e/agric_e/newsletter_e.htm



Thank you!