

Food and Agriculture Organization says global food import bill to jump to record \$1.9 trillion



A driver uses a tarp to cover the back of his truck loaded with seeds during sunflower harvesting on a field in Donetsk region, eastern Ukraine [Leo Correa/AP Photo]

Rome, November 13 (RHC)-- The world food import bill is expected to surpass \$1.9 trillion in 2022, a 10 percent increase compared with last year's record level, the United Nations Food and Agriculture Organization (FAO) has said.

The figure, released in a report (PDF), marks "an all-time high" due to the depreciating values of currencies against the U.S. dollar – the main currency of exchange on international markets – as well as Russia's ongoing war in Ukraine.

"The bulk of the increase in the [global food import] bill is accounted for by high-income countries, due mostly to higher world prices, while volumes are also expected to rise," the report said. Consequences will be more dramatic for economically vulnerable countries, it added.

"For instance, the aggregate food import bill for the group of low-income countries is expected to remain almost unchanged even though it is predicted to shrink by 10 percent in volume terms, pointing to a growing accessibility issue for these countries," the FAO said. Sub-Saharan Africa, already hard-hit by malnutrition, is expected to spend \$4.8bn more on food imports, despite a decrease in volumes. "These are alarming signs from a food security perspective," FAO said.

Russia and Ukraine together accounted for 30 percent of the world wheat trade and 78 percent of sunflower oil exports before Russia launched a full-scale invasion of its neighbour on February 24. The ongoing conflict has caused grain prices to spike.

The opening of a secure maritime corridor has allowed more than 10 million tonnes of agricultural products to leave Ukraine in recent months, leading to a cautious decline in market prices. Another easing factor is that world wheat production "should reach a record level of 784 million tons in 2022/23", the FAO said, driven in particular by the Russian and Canadian crops.

But other factors are weighing heavily on the balance of poor importing countries, warns the FAO, like the global import bill for agricultural inputs. In particular, fertiliser imports are expected to reach \$424bn in 2022, a nearly 50 percent increase compared with the previous year.

Russia is one of the world's leading exporters of gas and nitrogen fertilisers, and prices have tripled in one year. "As a result, some countries may be forced to reduce input applications, almost inevitably resulting in lower agricultural productivity and lower domestic food availability," the FAO said. It also warned of "negative repercussions for global agricultural output and food security" in 2023.

In the 2022-23 season, the agency sees wheat production jumping 0.6 percent year-on-year to a record 784 million tonnes, but notes increases are expected mostly in China and Russia, leaving inventories down 8 percent in the rest of the world. Production of coarse grains like corn, barley and sorghum is meanwhile seen falling 2.8 percent in the season.

On the plus side, however, the FAO said oilseeds output is seen rebounding 4.2 percent to hit an all-time high, sugar output is seen rising 2.6 percent, while rice output is expected to remain at overall average levels, in part due to resilient plantings in Asia and recovering output in Africa.

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