



World Food
Programme

SAVING
LIVES
CHANGING
LIVES

Food and energy price inflation triggering a wave of collateral hunger across the globe

2022 April

A CRISIS THAT ISN'T HAPPENING IN A VACUUM

The economic context



Working hour losses
equivalent to full-
time jobs:

258M in **2020**
125M in **2021**
52M in **2022**



Food inflation
is now over
15% in
31 countries



22 currencies
now a hotspot
or in alert

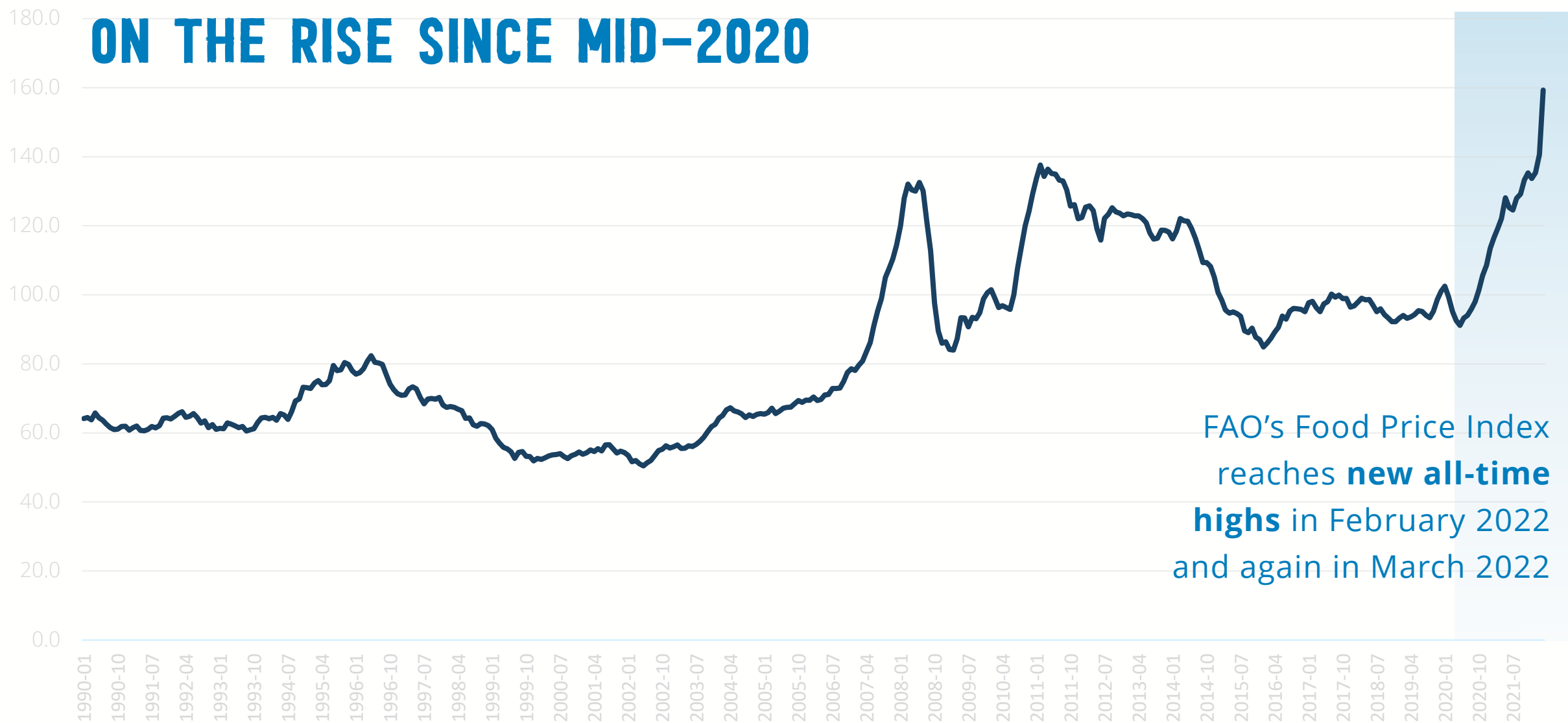


60% of low-income
countries at high
risk or already in
debt distress, up
from **30%** in 2015



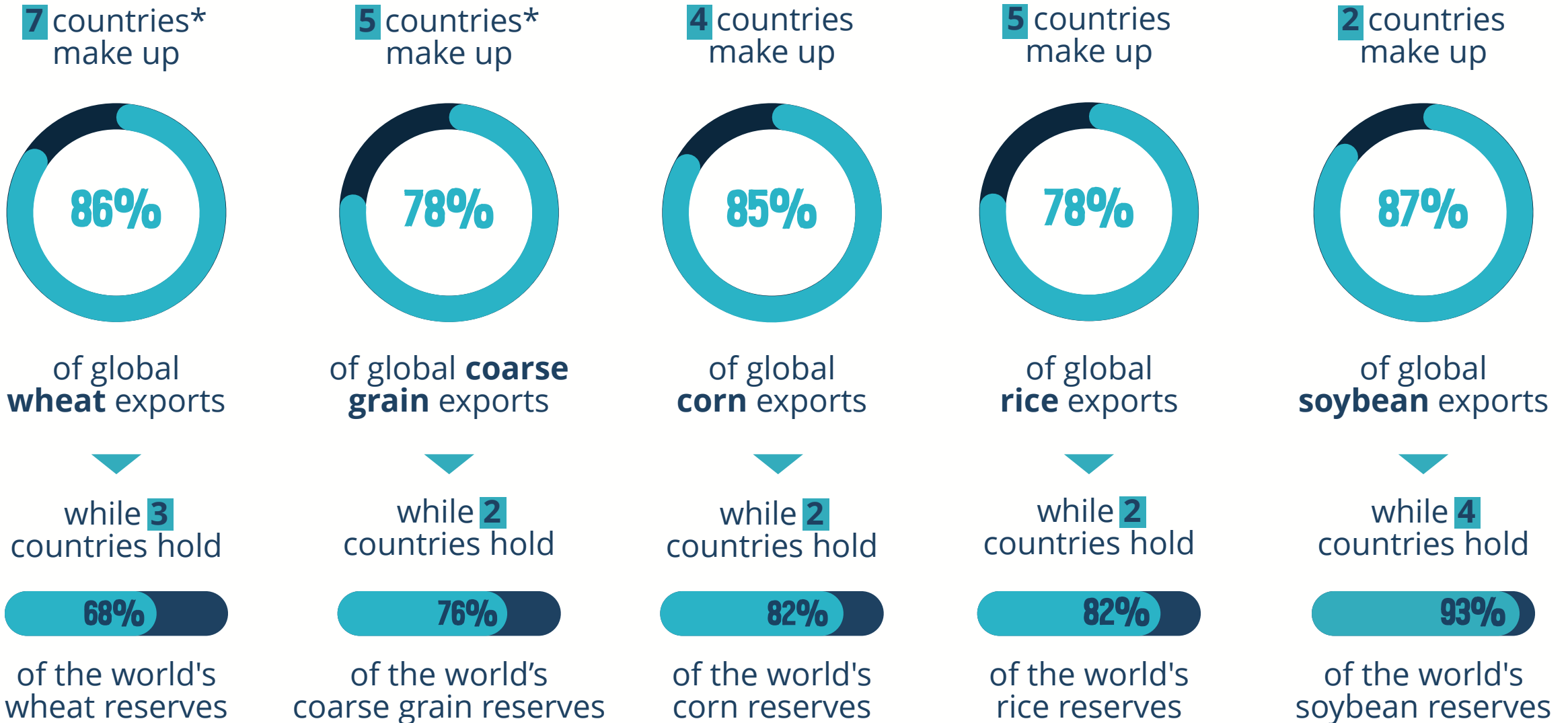
US\$ 26 Trillion
spent to avoid
economic collapse in
the **first 18 months**
of the pandemic

GLOBAL FOOD PRICES HAVE BEEN ON THE RISE SINCE MID-2020



FAO's Food Price Index
reaches **new all-time
highs** in February 2022
and again in March 2022

GLOBAL SUPPLIES & RESERVES: A CONCENTRATED MARKET



Source: USDA: World Agricultural Supply and Demand Estimates March 2022

*Please note that this includes the European Union, which is classified as one entity in line with the USDA WASDE Report

CONFLICT IN ONE OF THE WORLD'S BREADBASKETS

Tracing Ukraine and Russia's share of some major commodities

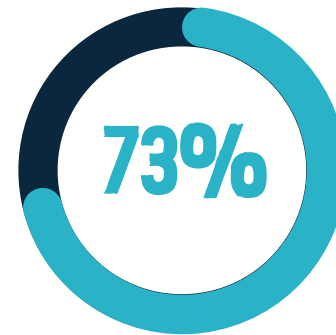
Russia and **Ukraine** provide



of global
wheat
exports



of global
maize
exports



of global
sunflower oil
exports



of global
crude oil
exports

LOGISTICAL CHALLENGES OF THE CONFLICT



Rising costs of insurance premia

War risk premiums have hit **\$300,000** for some tankers operating in the Black Sea

Vessels stuck in the Black Sea

86 reported merchant ships currently stranded in Ukrainian ports and waters

COMMODITY PRICES



Note: This chart represents monthly averages

Sources: [IGC](#), [World Bank](#), [Trading Economics](#)

AN UNPRECEDENTED WORLD



Source: [Trading Economics](#)

This chart represents monthly averages, except for April 2022, where the most recent daily data is reported

2008

No wars

No economic or
national security
threats in Europe

No frequent,
volatile
climate
shocks

No global
pandemic

TODAY

CONFLICT

Syria

Yemen

Ethiopia

Northeast Nigeria

CLIMATE

Back-to-back, major droughts

Multi-year, landscape changing floods

Climate variability and volatility

COVID-19

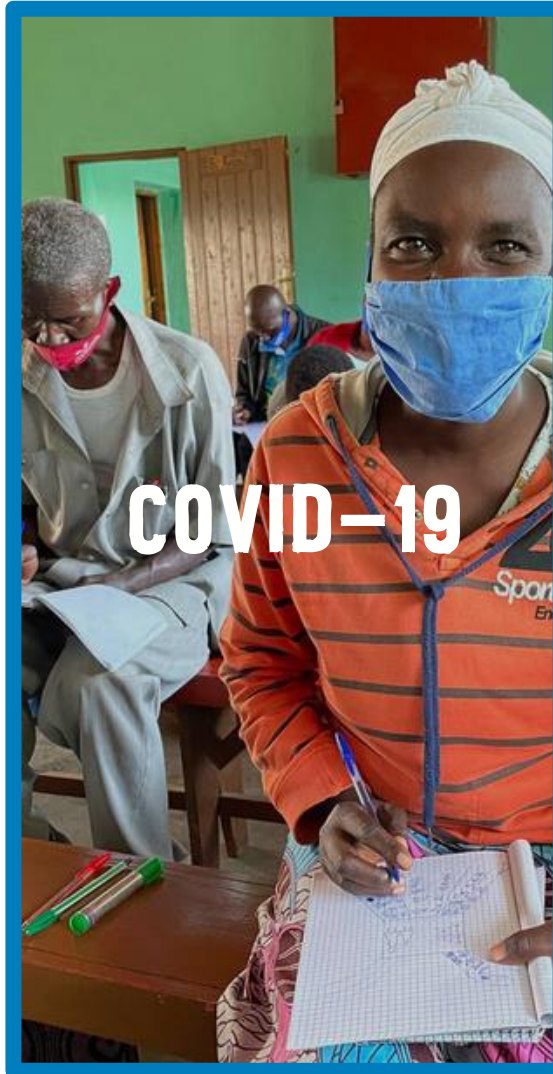
Massive income losses

Record inflation

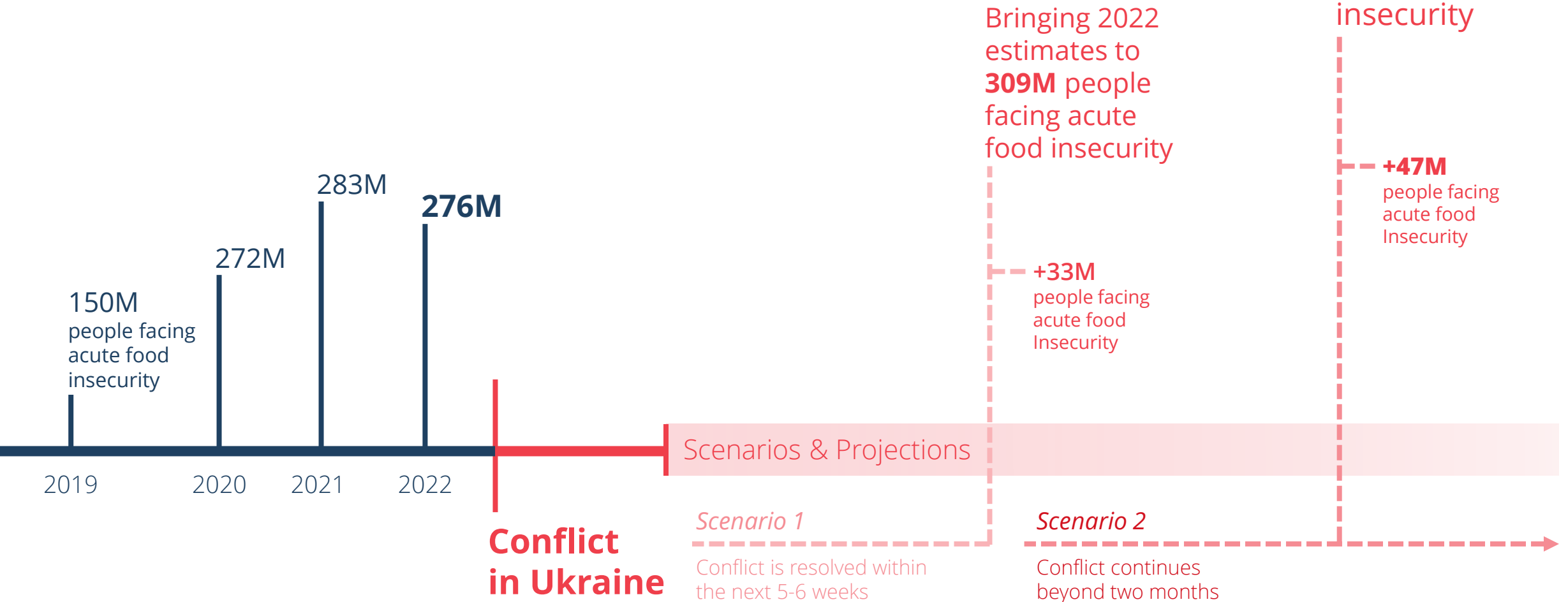
Supply chain disruptions

Record debt burdens

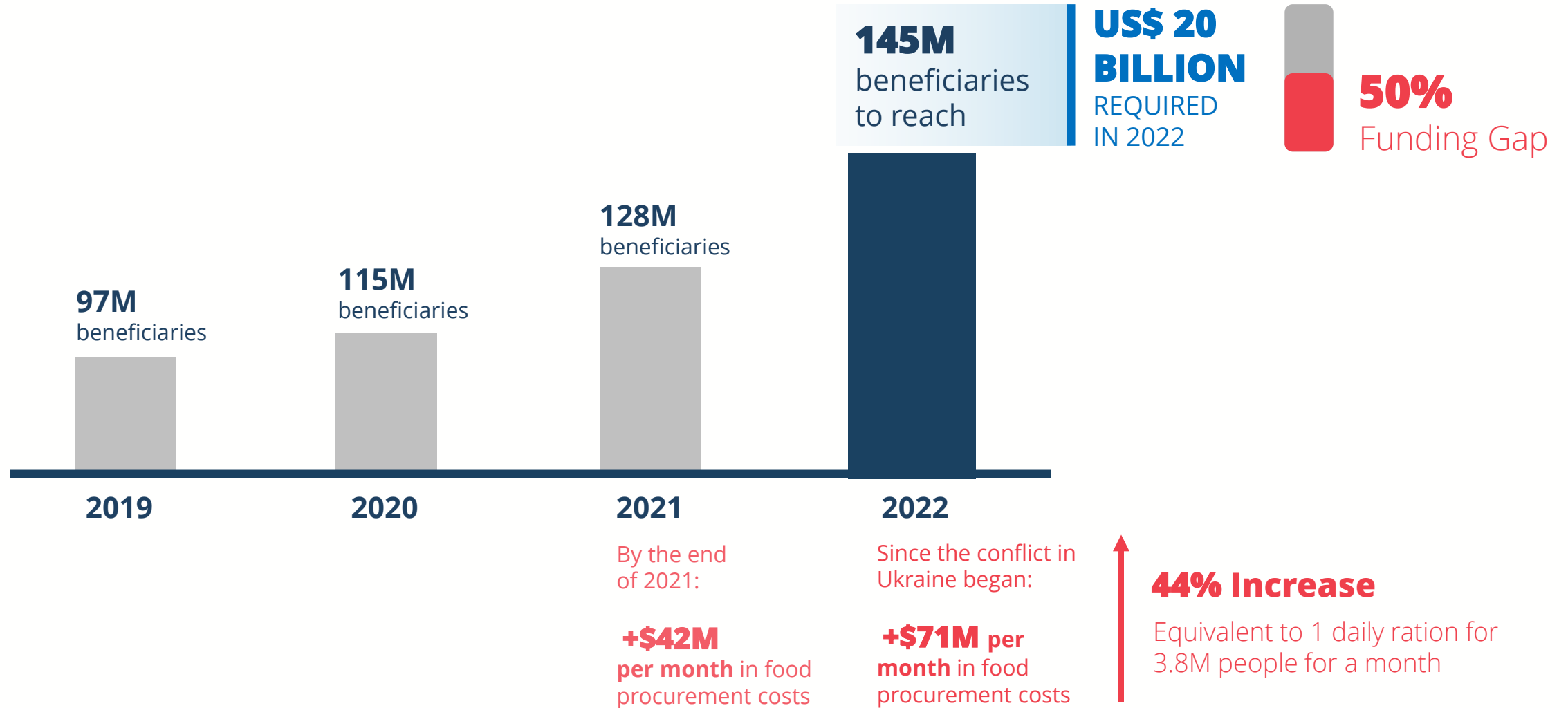
ROOT CAUSES



GLOBAL ACUTE FOOD INSECURITY NUMBERS



INCREASING NEEDS & EVER MORE CONSTRAINED FUNDS



POLICY RECOMMENDATIONS

- Provide adequate humanitarian assistance to vulnerable groups
- Keep trade flowing and minimize disruptions to supply chains
- Avoid ad hoc policy reactions, export restrictions and import subsidies
- Exempt humanitarian assistance from export bans, extra ordinary taxes and duties
- Strengthen market transparency to provide timely information
- Rethink energy and agricultural policies to diversify import sources for food and fuel
- Consider a food, fuel and fertilizer import facility for the poorest and most affected countries

THANK YOU