



Food and Agriculture  
Organization of the  
United Nations

# The Role of Agrifood systems on the World Geopolitics

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Chief Economist, FAO

**27 Natural Resources Section Meeting of the Economic and Social Committee (EU civil society consultative body) on global food security status**

**At what stage is global  
food security?  
What are actions to  
correct course?**



# We are not on track to ending hunger, food insecurity and malnutrition - major drivers and underlying factors are challenging us

COVID-19  
PANDEMIC



ECONOMIC SLOWDOWNS AND  
DOWNTURNS



CLIMATE VARIABILITY  
AND EXTREMES



CONFLICT

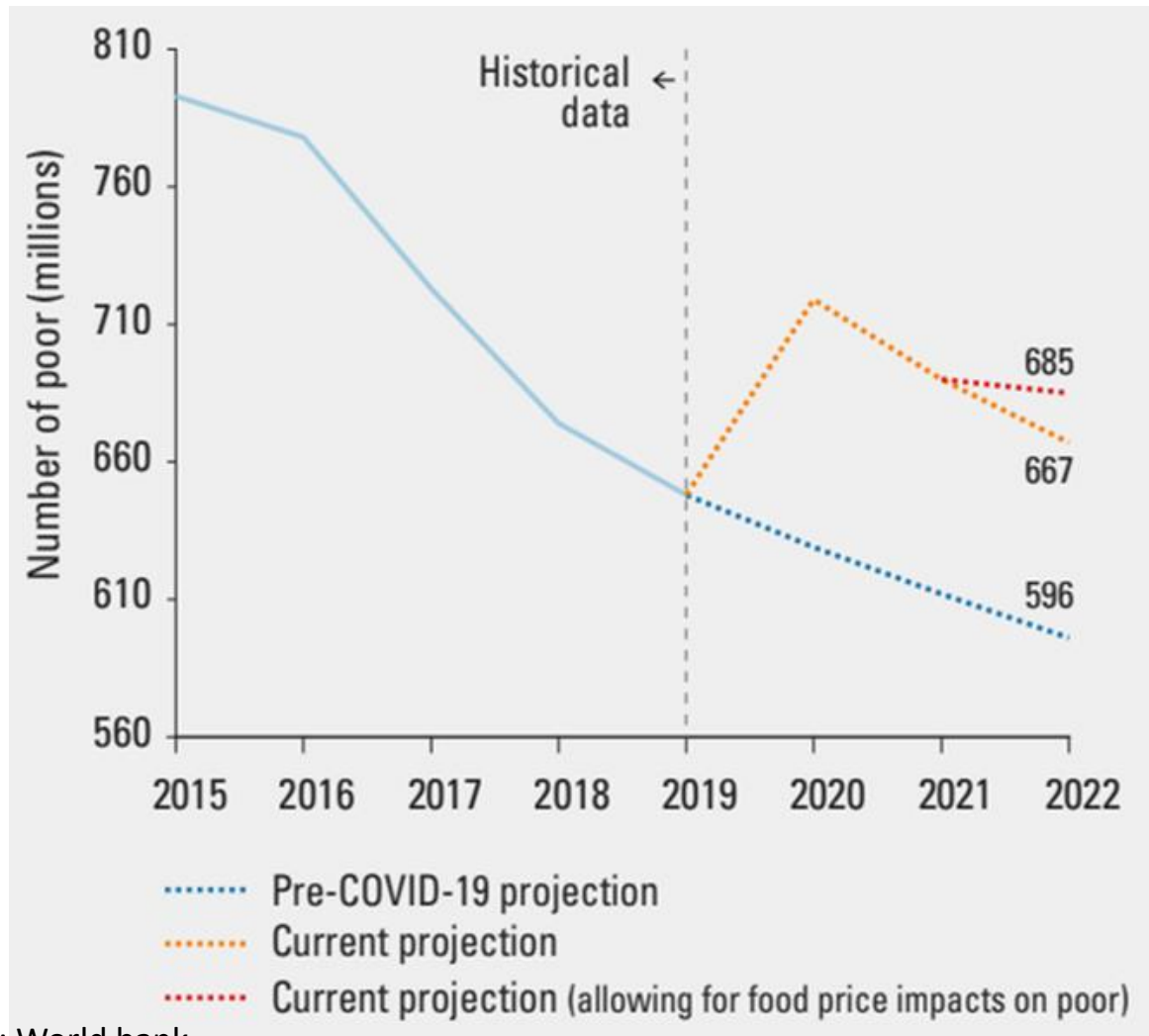


COST AND AFFORDABILITY  
OF HEALTHY DIETS



← UNDERLYING CAUSES OF POVERTY AND INEQUALITY →

## Poverty reduction resumed slowly in 2021, but now may increase in 2022



Source: World bank

## Chronical undernourishment and acute food insecurity increases



**839** million

people in chronic Undernourishment in 2022, i.e. 10.7 million more

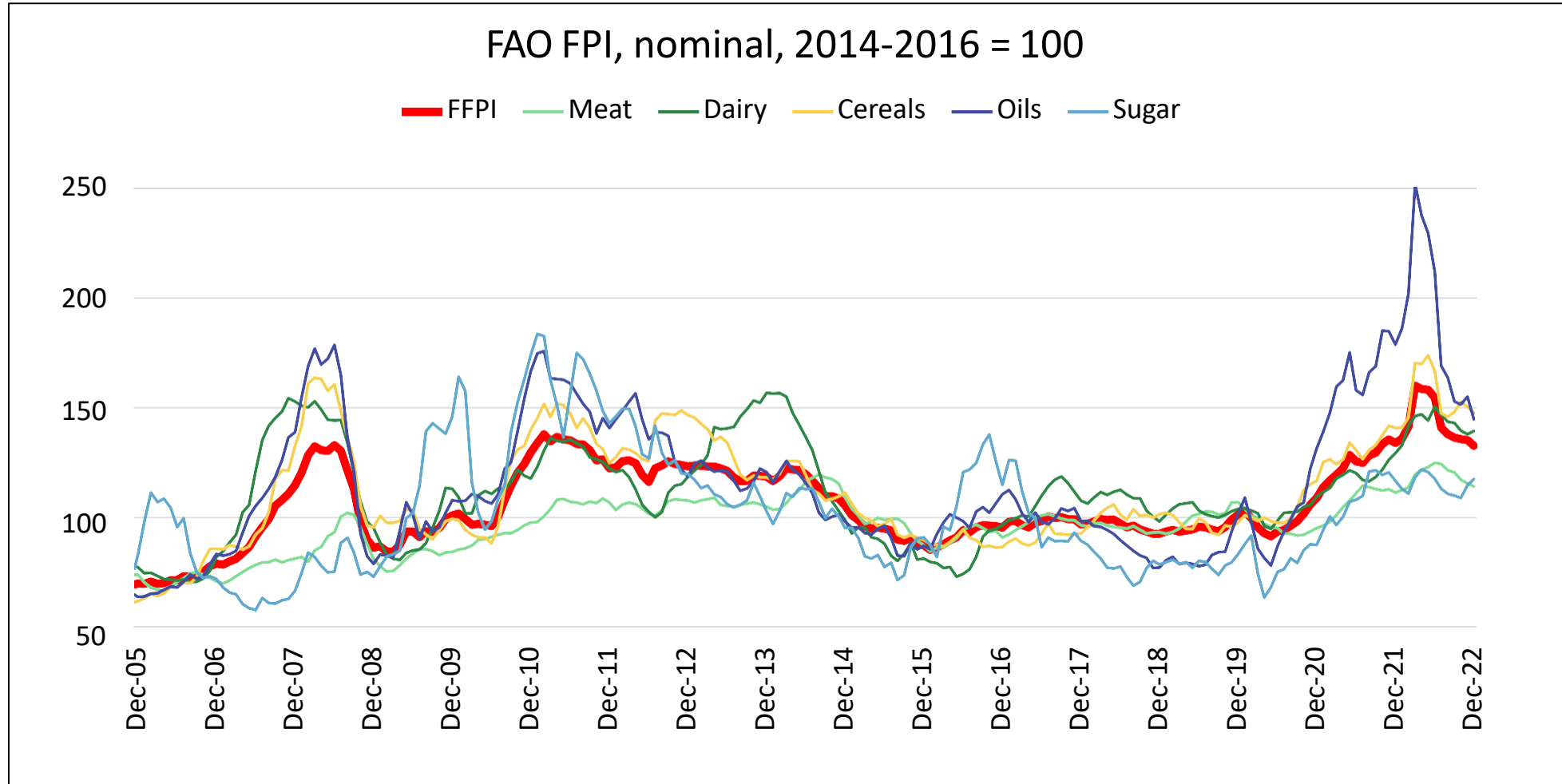


**222** million people

acute food insecure in 53 countries/territories covered by the GRFC 2022

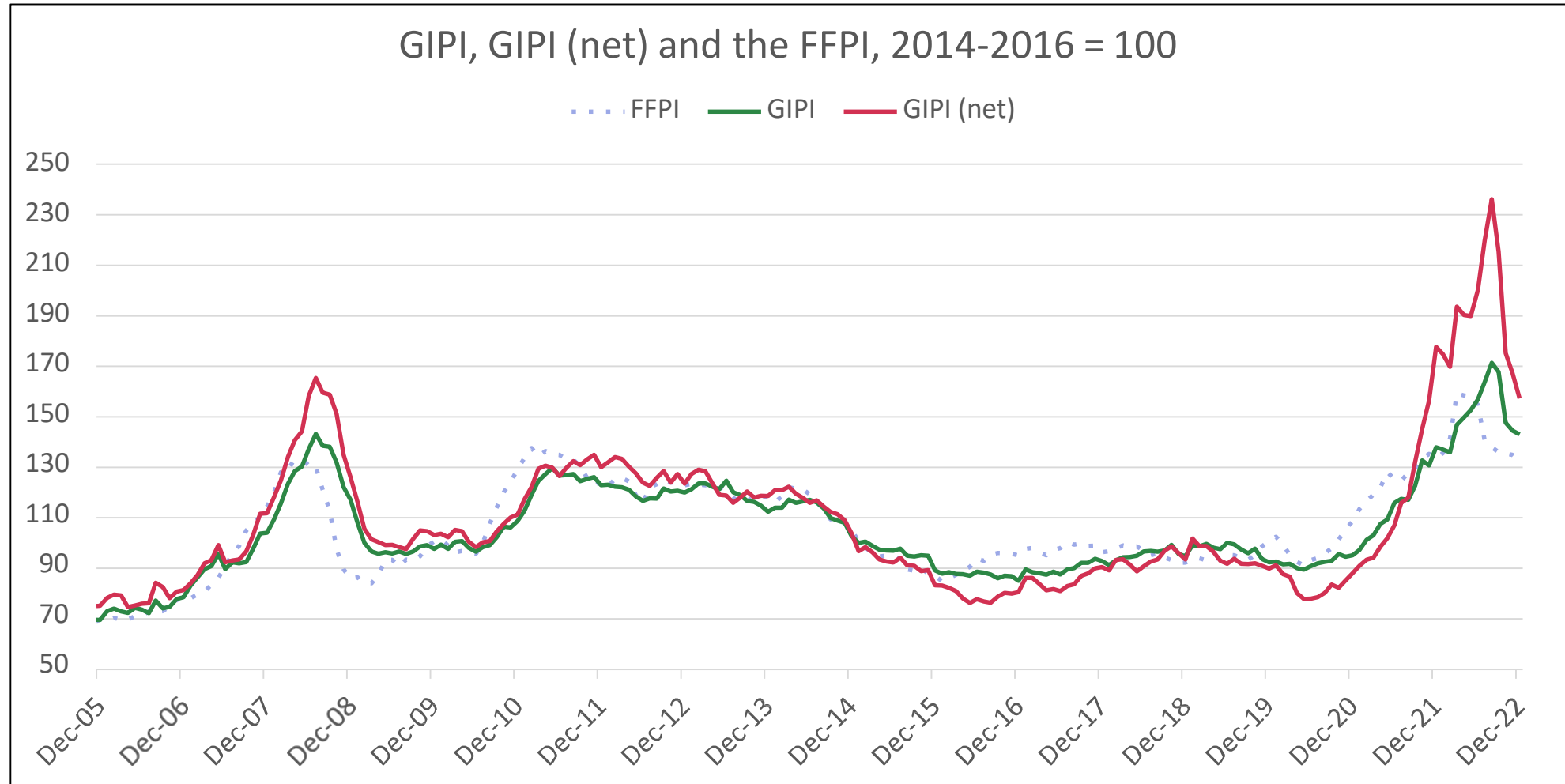
# **World food prices and market outlook**

# High and volatile prices for food



Source: FAO food price index

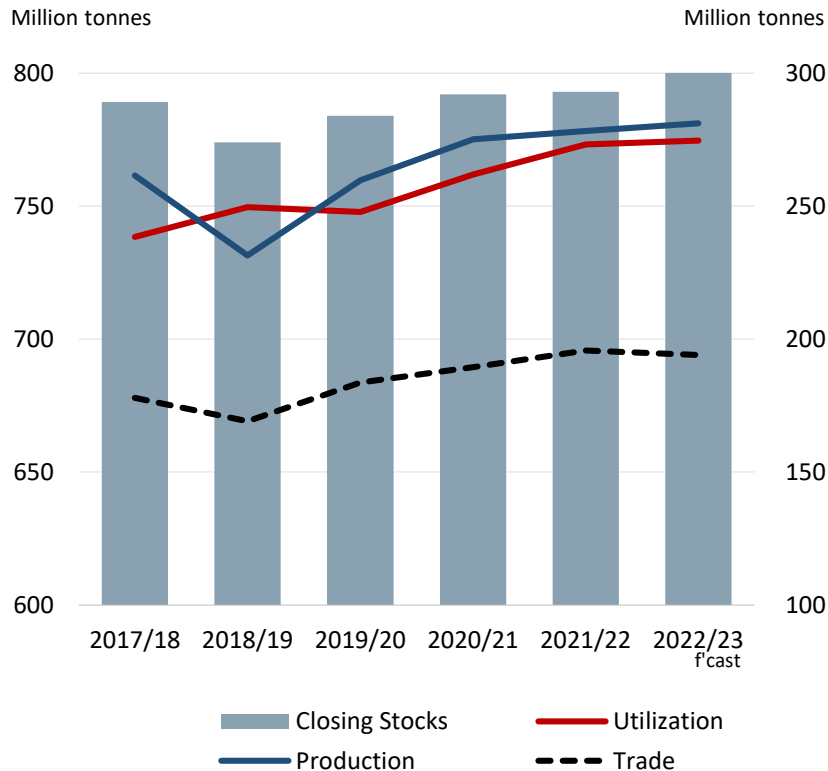
# High and volatile prices for agricultural inputs



Source: author's calculations, based on FAO and TDM data

# Global wheat market overview

## Wheat production, utilization, stocks and trade



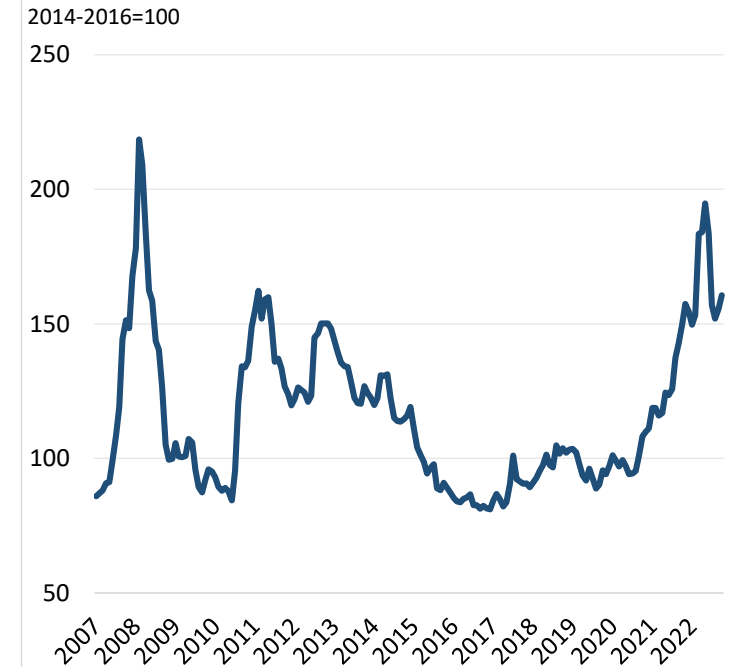
Production to reach record high, with utilization to grow marginally

## Wheat stocks and ratios



Wheat stocks to rise, but increase concentrated mostly in China and the Russian Federation

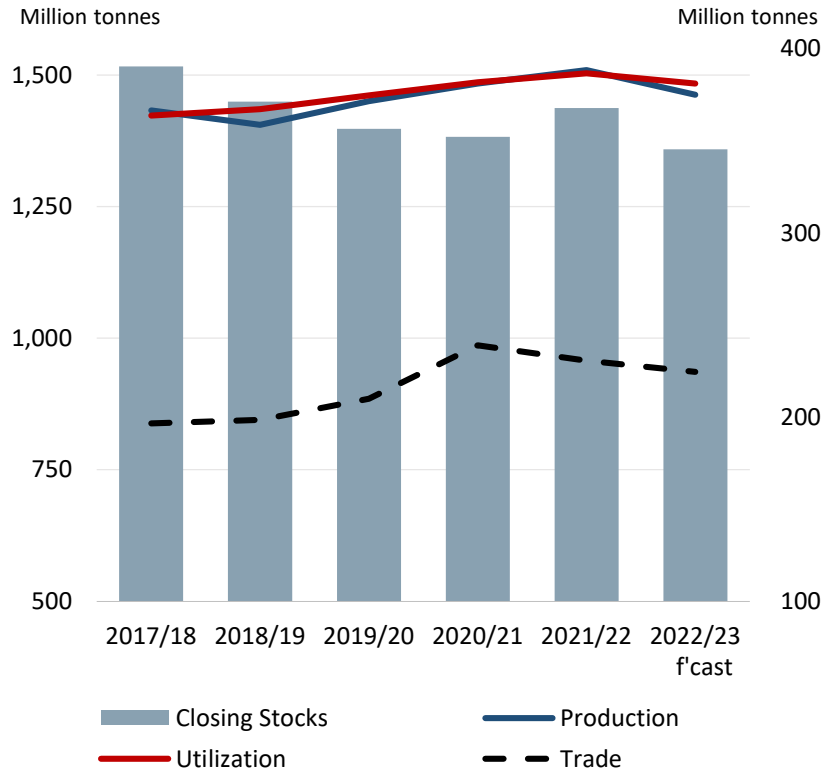
## Wheat Price Index



Global wheat prices have come down from the near-record level, but remain elevated

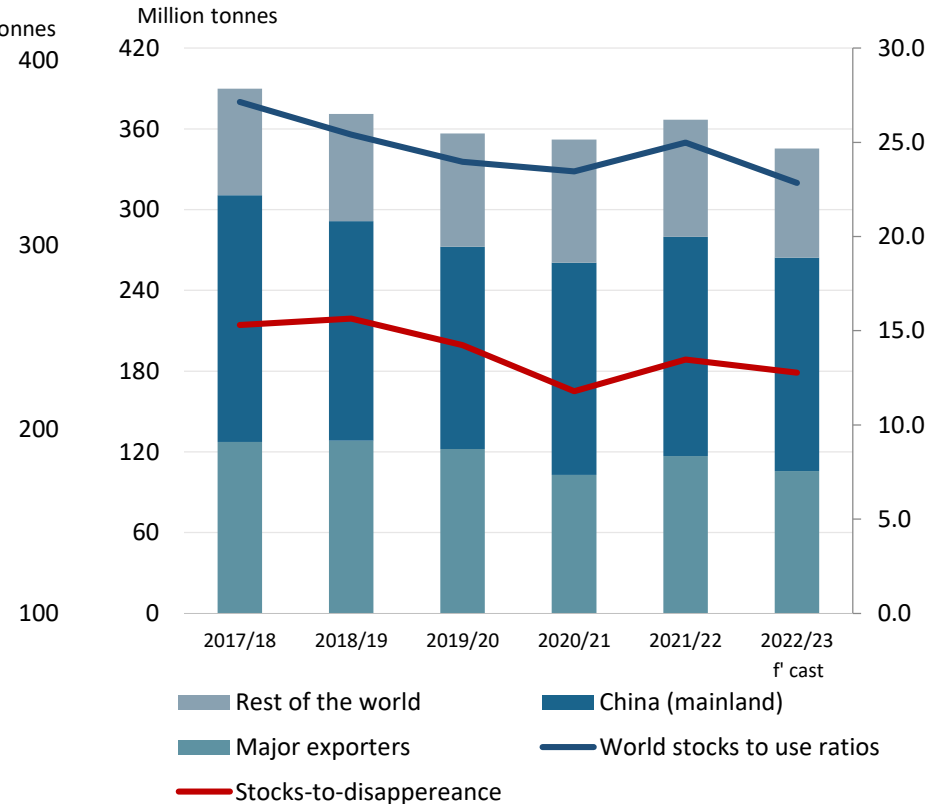
# Global coarse grain market overview

## Coarse grains production, utilization, stocks and trade



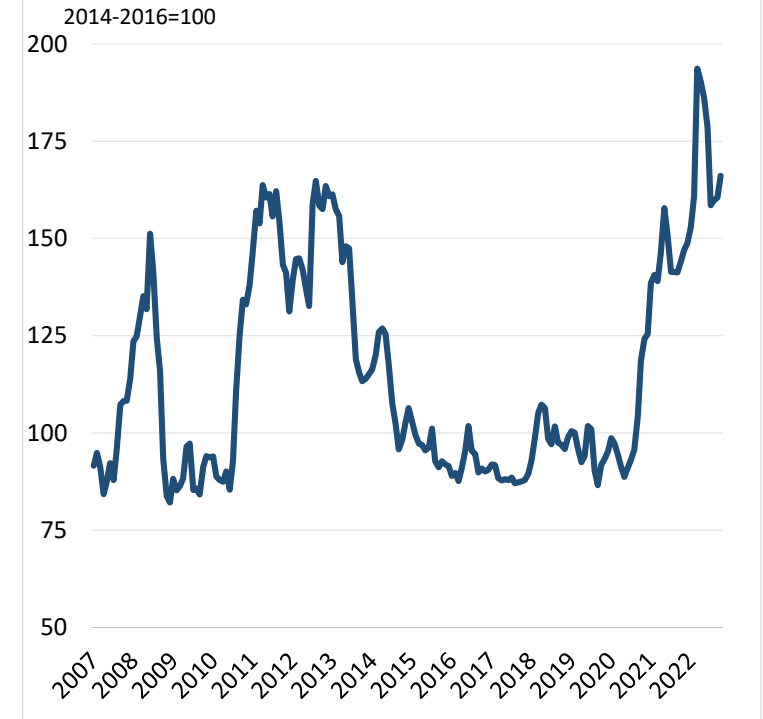
Production, utilization and trade all set to contract in 2022/23

## Coarse grain stocks and ratios



Inventories are expected to fall in 2022/23 to their lowest levels since 2013/14

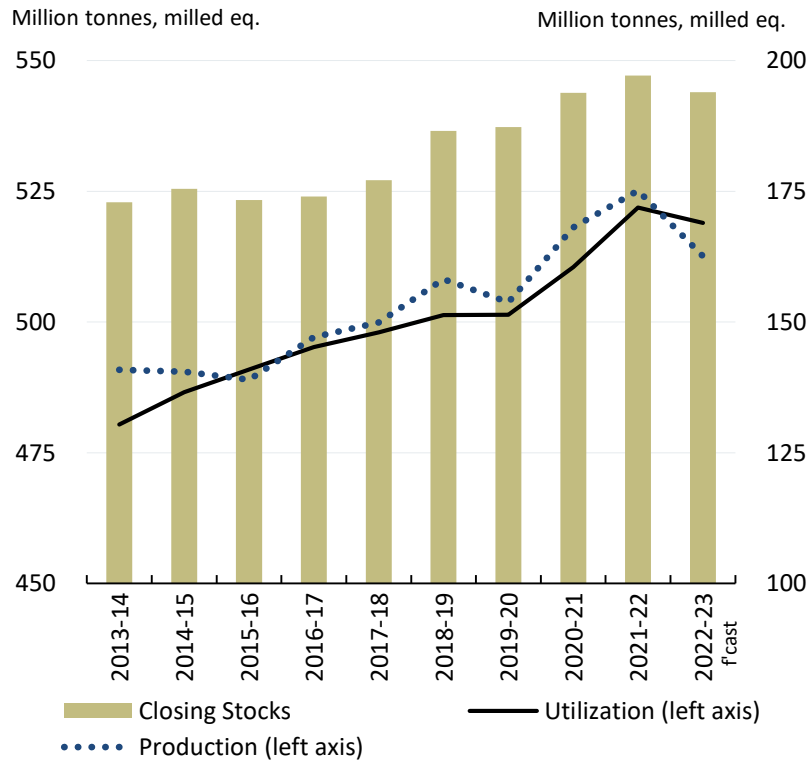
## Coarse Grain Index



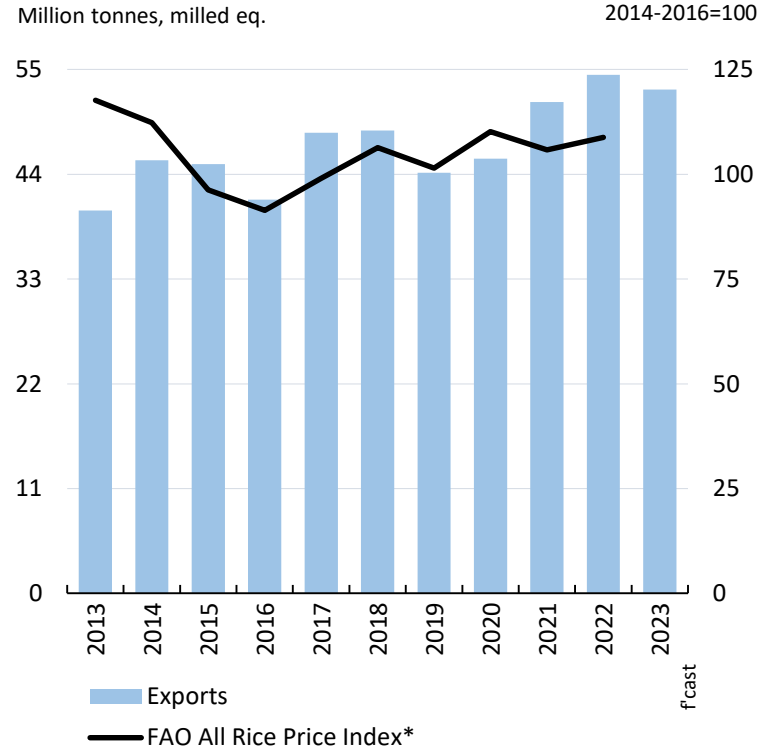
Prices have retreated from their record high in March but remained near previous 2012 record levels

# World rice market overview

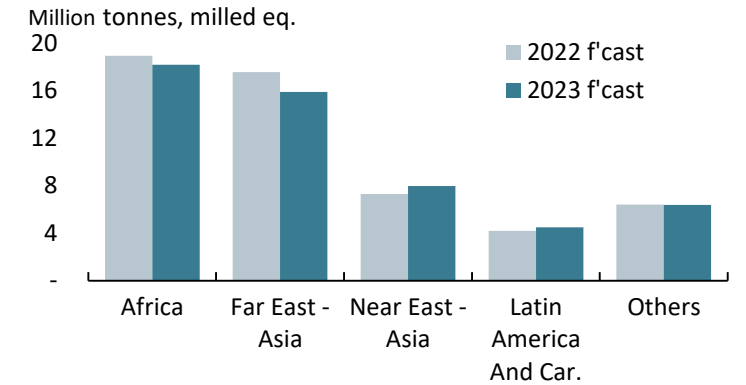
## Rice production, utilization and stocks



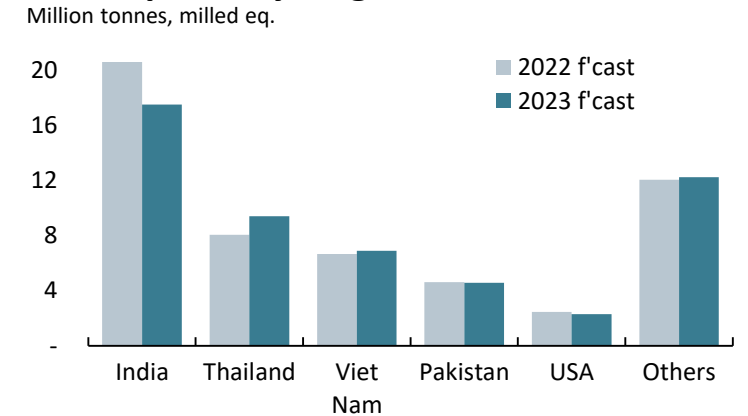
## Global rice trade and FAO All Rice Price



## Rice imports by region



## Rice exports by origin



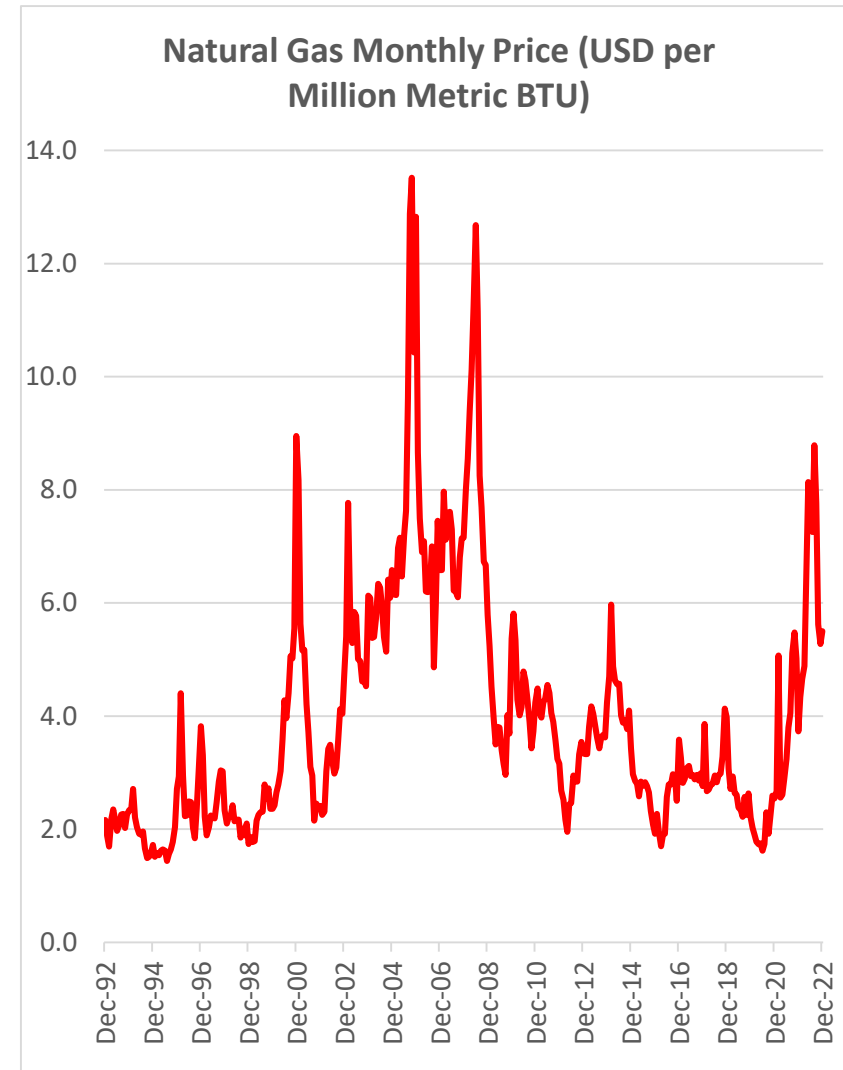
Global rice production and utilization forecast to fall from record-highs in 2021/22, but supplies to remain adequate, with inventories remaining at above average levels.

International rice prices recover in 2022, but rice price increases considerably more contained than those of other cereals. Trade in 2023 forecast to subside from the all-time high reached in 2022.

Source: FAO, 2022. FAO Rice Country Balance Sheet (RCBS) system.

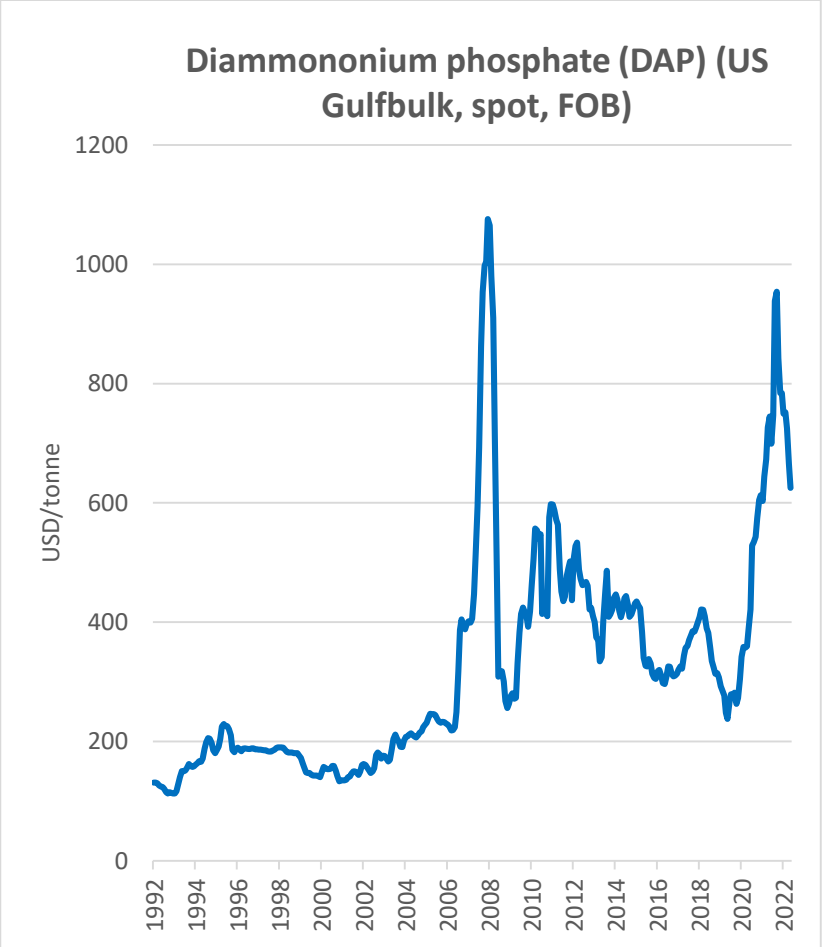
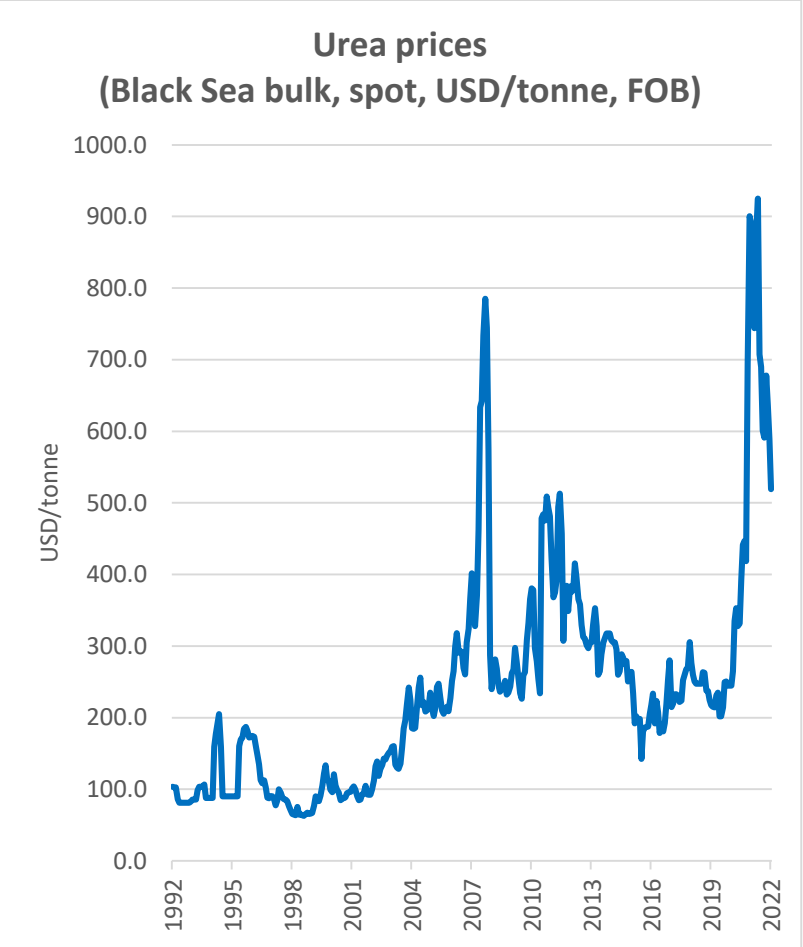
# **Key drivers of global food markets**

# World energy prices increased rapidly since 2020, putting pressure on agricultural markets



Source: Refinitiv. <https://my.refinitiv.com>

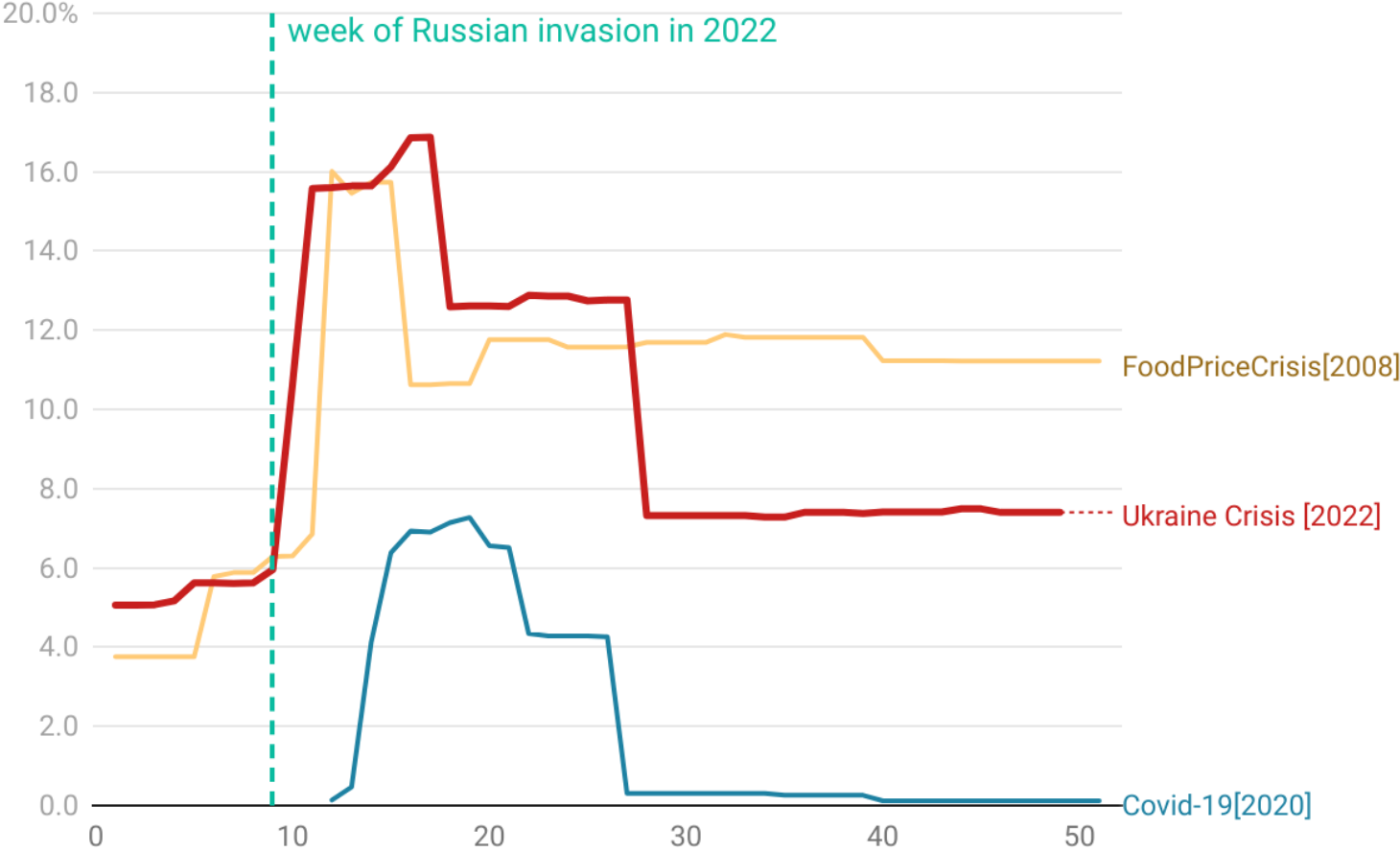
# Higher energy prices pushed up fertilizer prices...



Source: Index Mundi, <https://www.indexmundi.com/commodities/>

# Evolution of the share of global food and feed trade, in calories, impacted by export restrictions

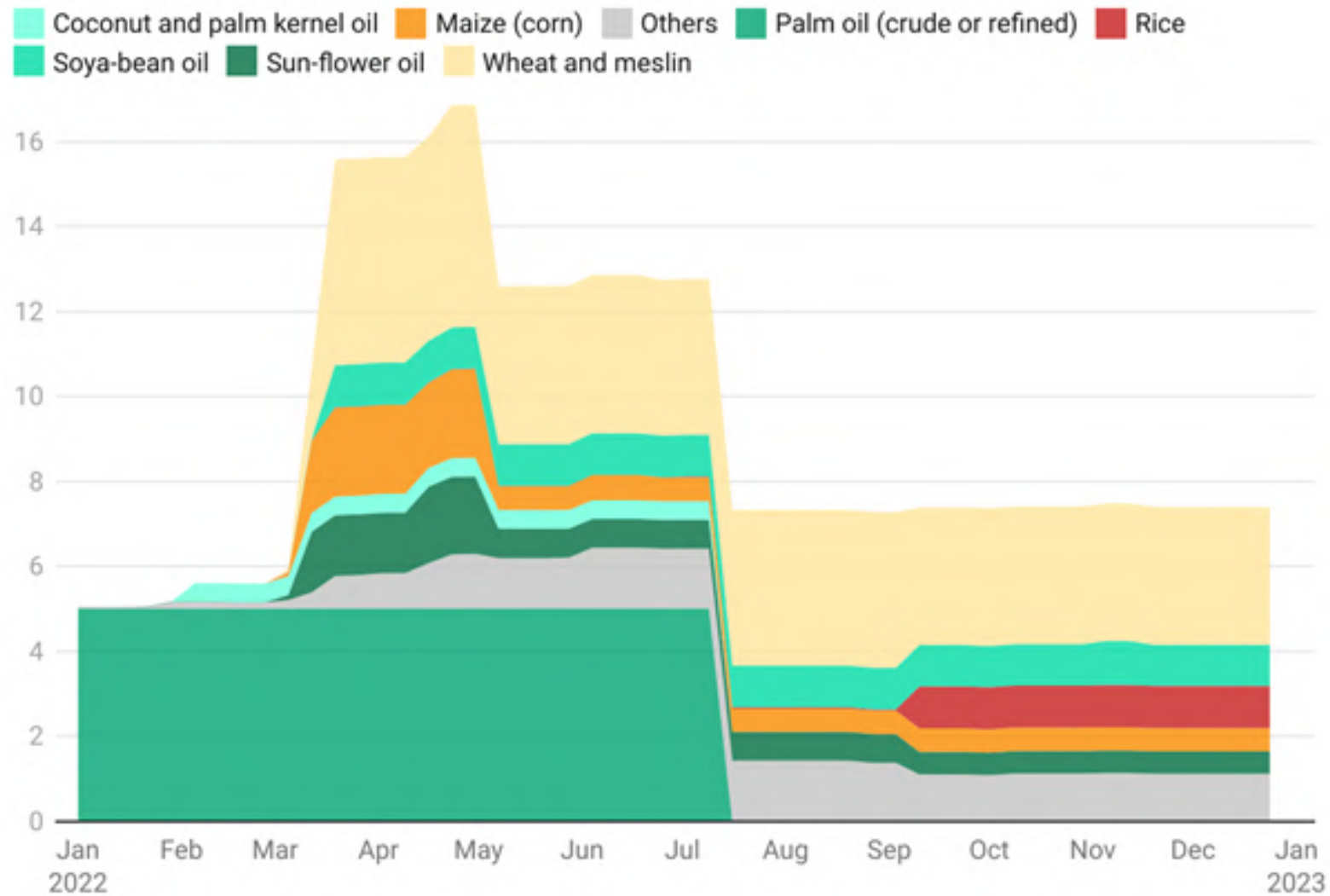
Daily update. Includes food, feed and other uses of food products.



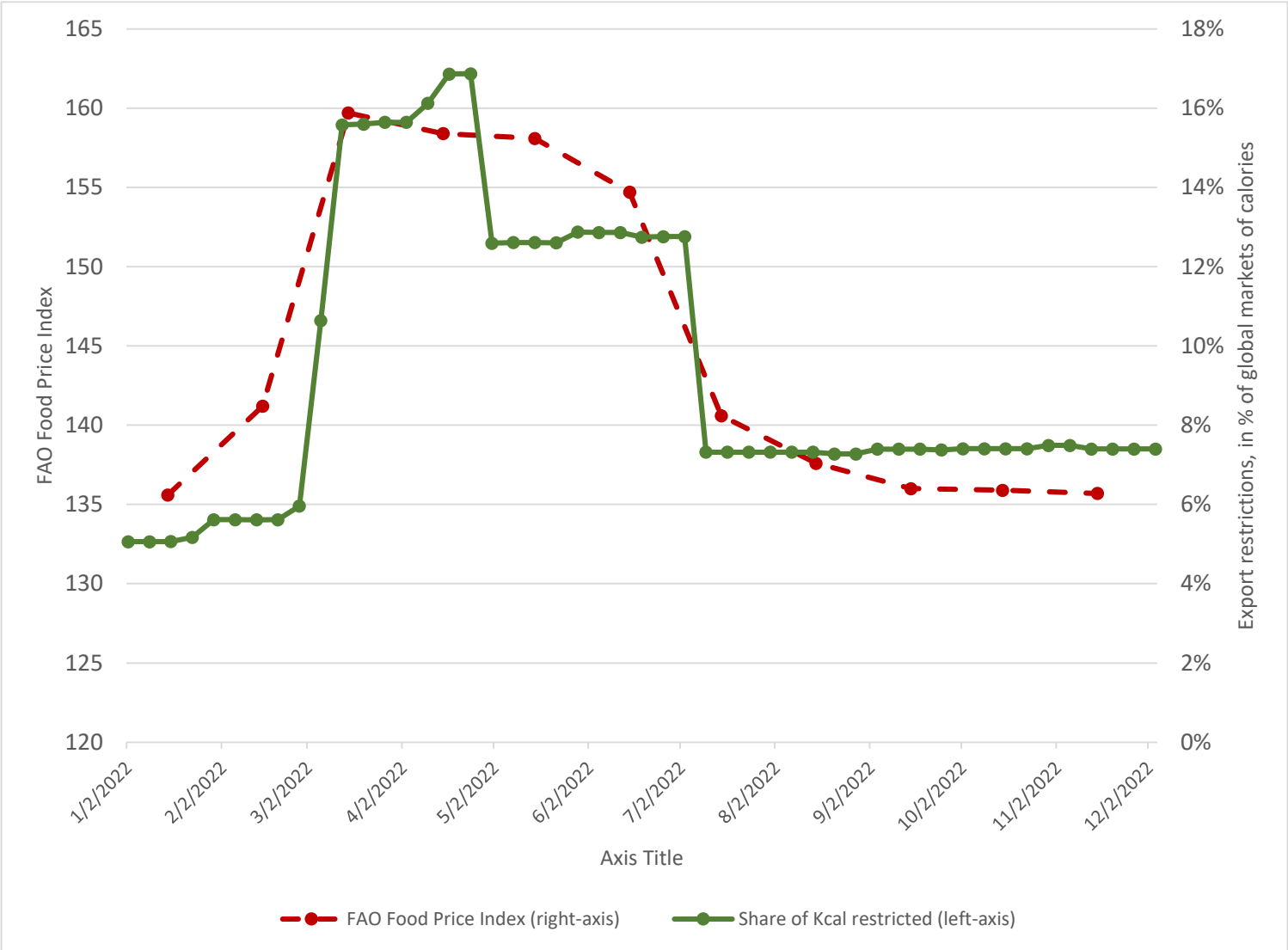
X-axis shows the week of the year. 1= first week of the year.

Chart: David Laborde • Source: IFPRI

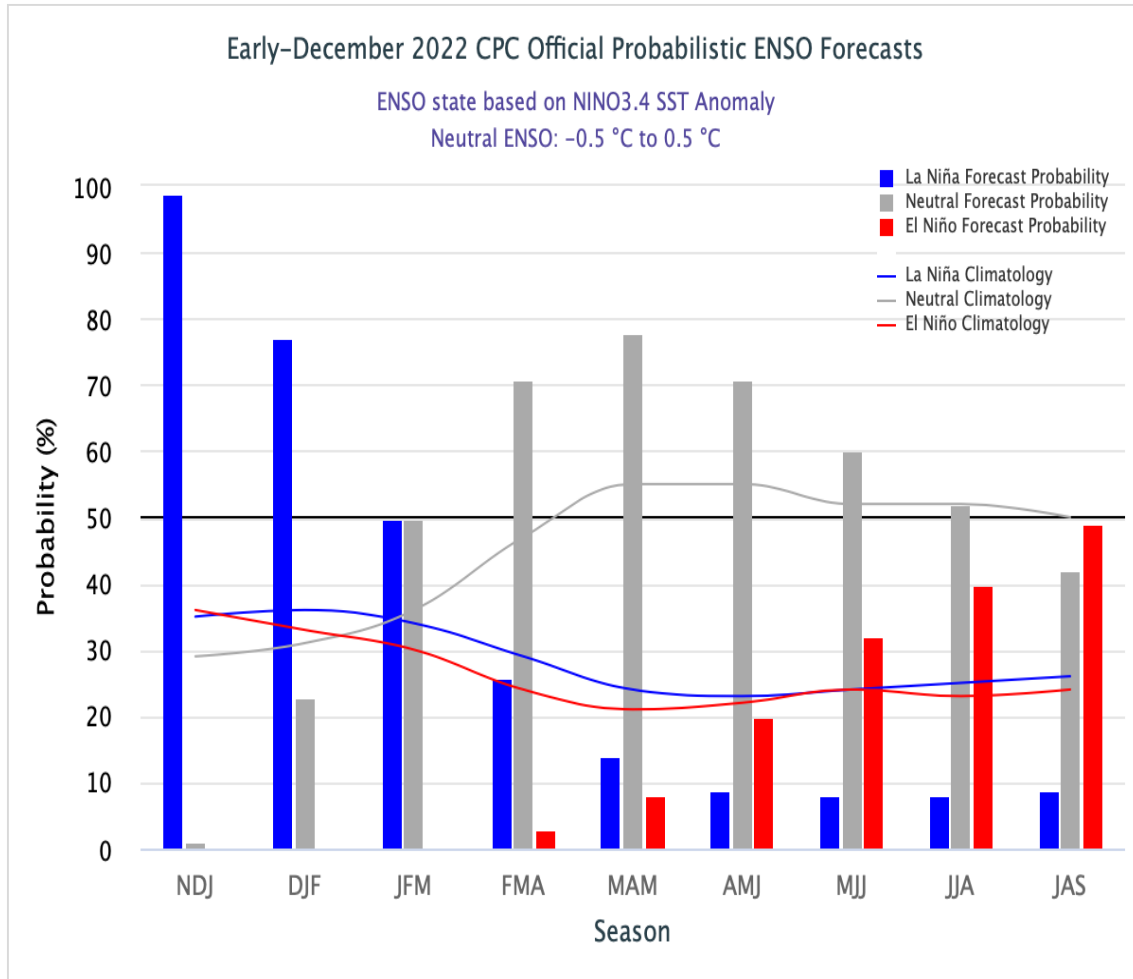
## Product and feed export restrictions in 2022 broken down by product



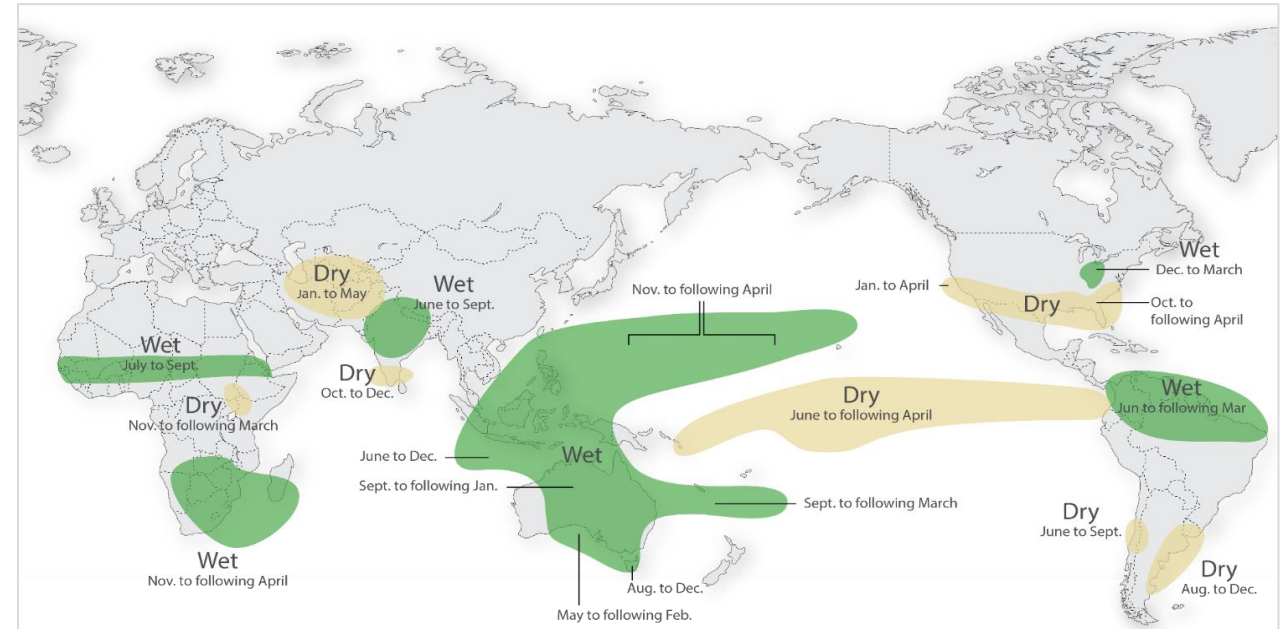
# Relationship between trade restrictions and prices



# The climate factor... more intense and more frequent weather events



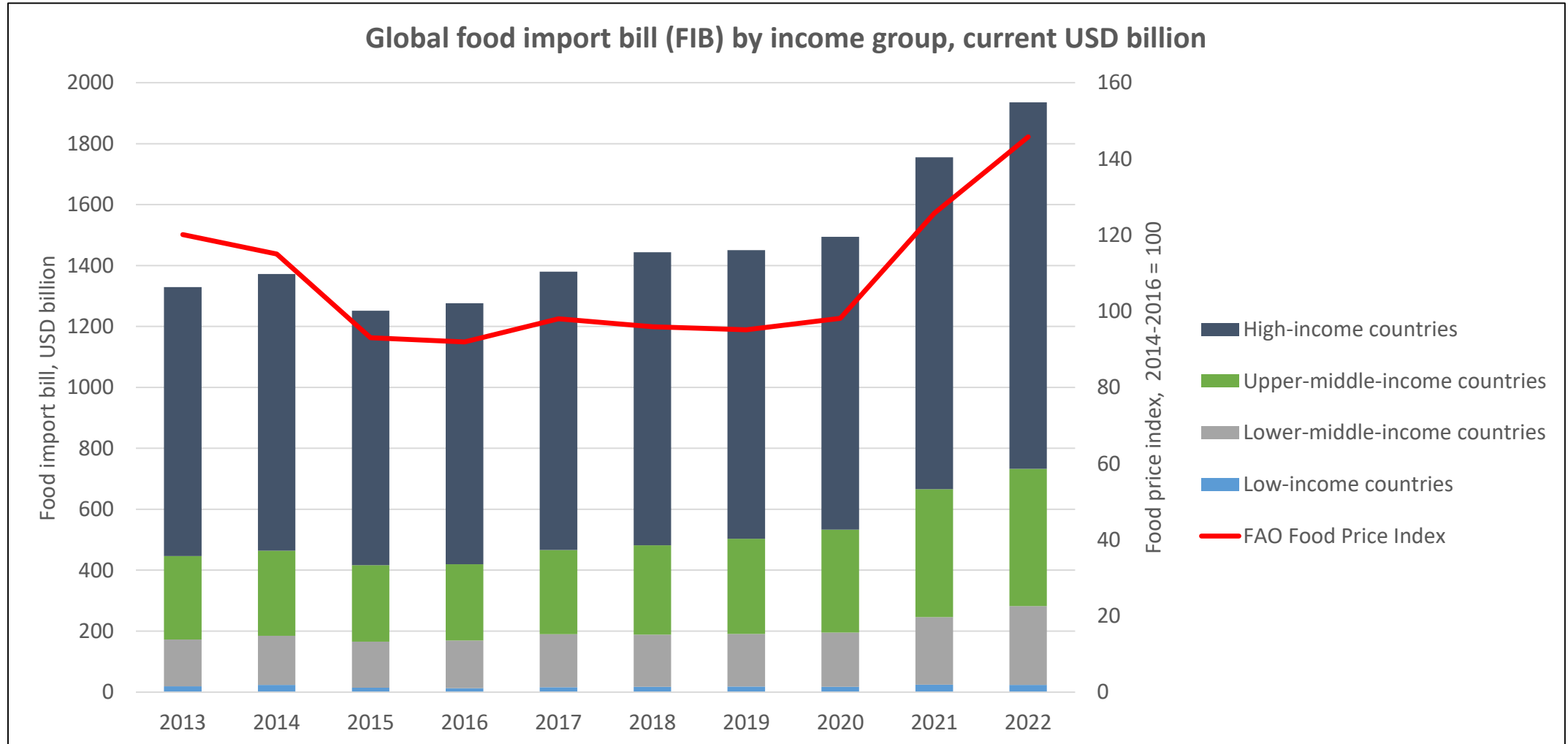
## La Niña and Rainfall: consistent rainfall pattern shifts across regions and seasons



Source: FAO <https://www.fao.org/emergencies/resources/maps/detail/en/c/1044730/>  
 Ropelewski, C. F. and M. S. Halpert, 1989: Precipitation patterns associated with the high index phase of the Southern Oscillation. J. Climate., 2, 268-284,  
 Mason and Goddard, 2001. Probabilistic precipitation anomalies associated with ENSO. Bull. Am. Meteorol. Soc. 82, 619-638

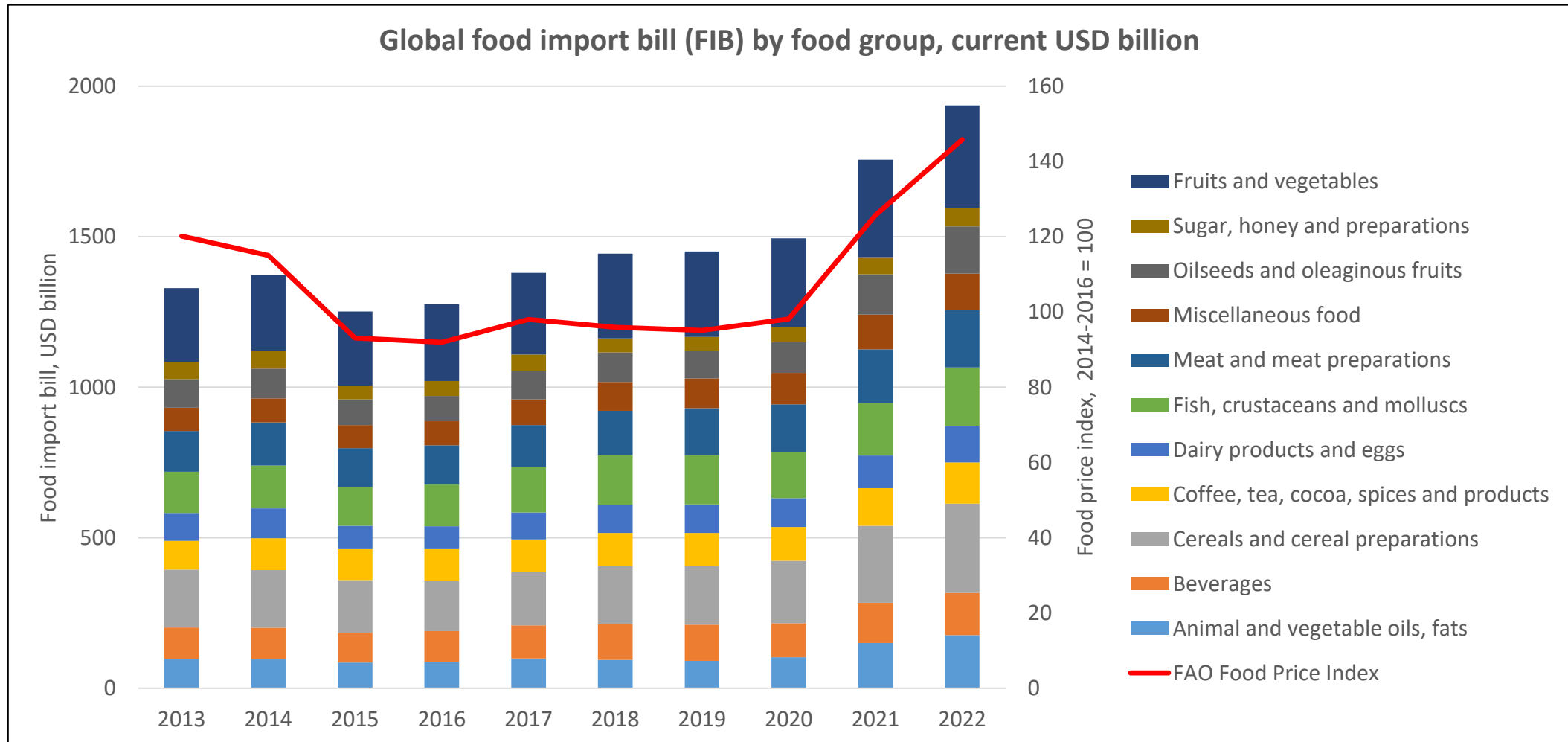
# **Global food and agricultural input import bills**

# Global food import bill have reached new record highs, largely reflecting elevated prices and affecting mostly economically vulnerable countries



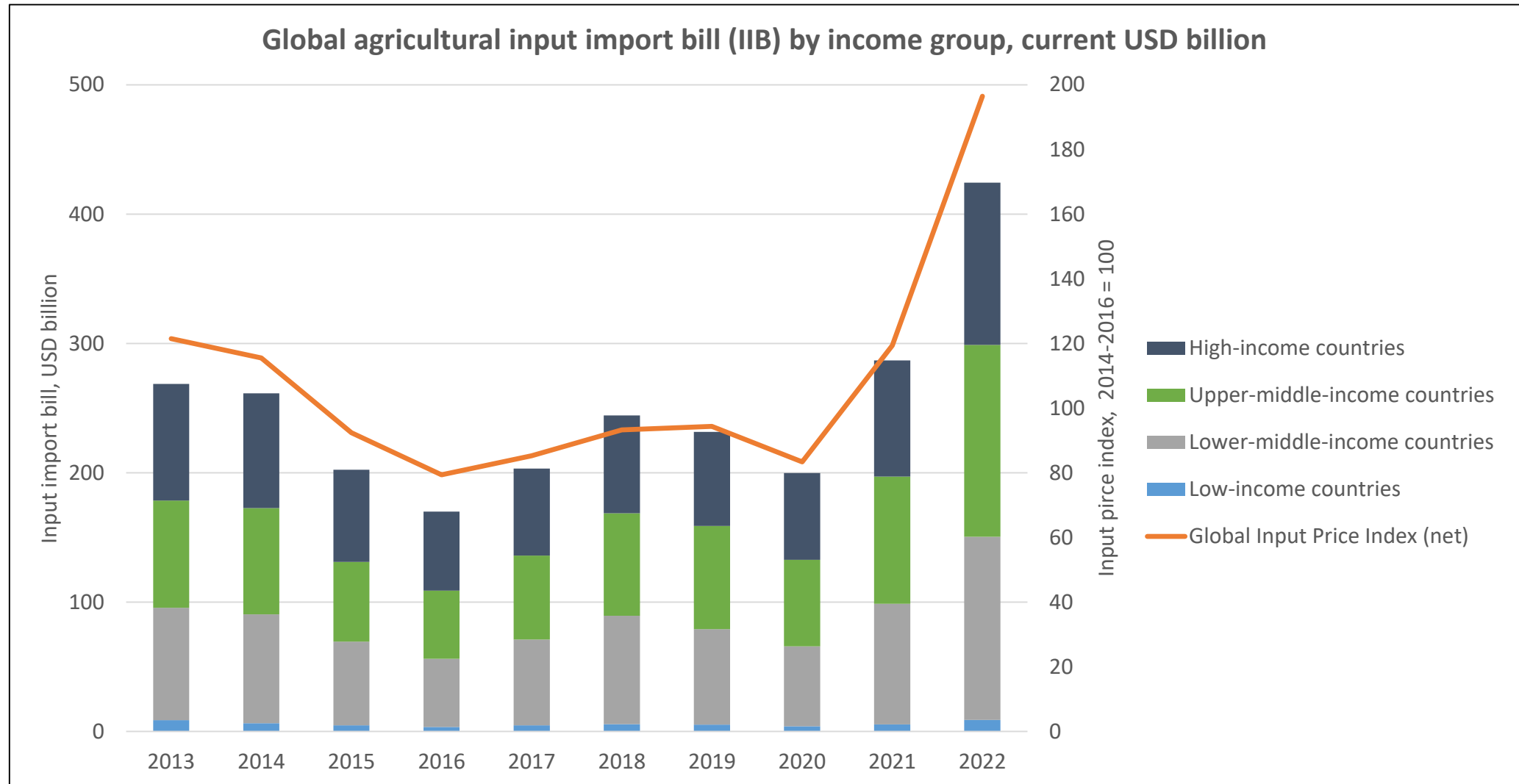
Source: FAO, Trade Data Monitor (TDM), FAO calculations

# Oils and fats, fruits and vegetables as well as cereals have seen steady growth in trade



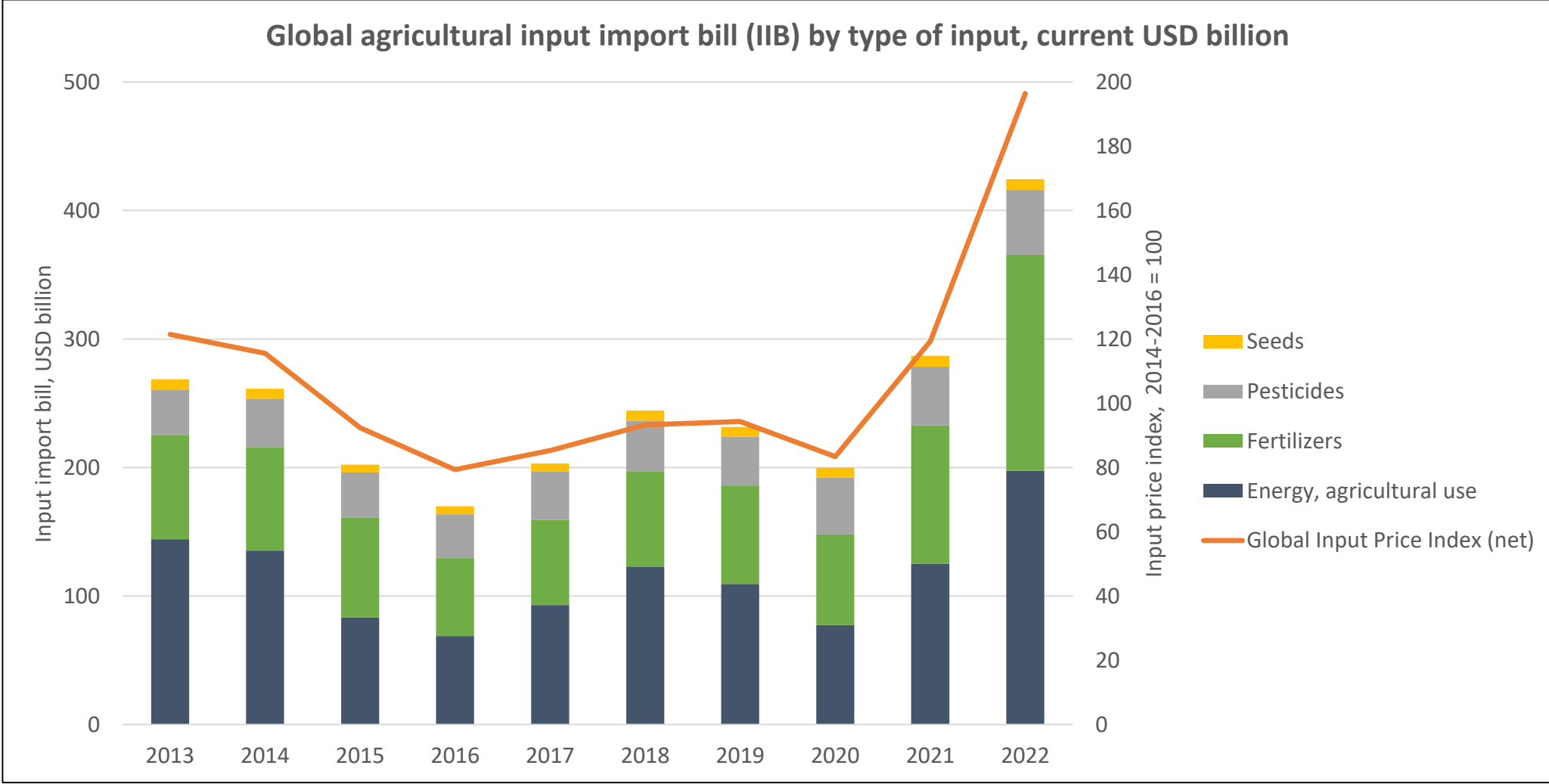
Source: FAO, Trade Data Monitor (TDM), FAO calculations

# Global agricultural input import bill soared by almost 50% in 2022, driven by higher prices



Source: FAO, Trade Data Monitor (TDM), FAO calculations

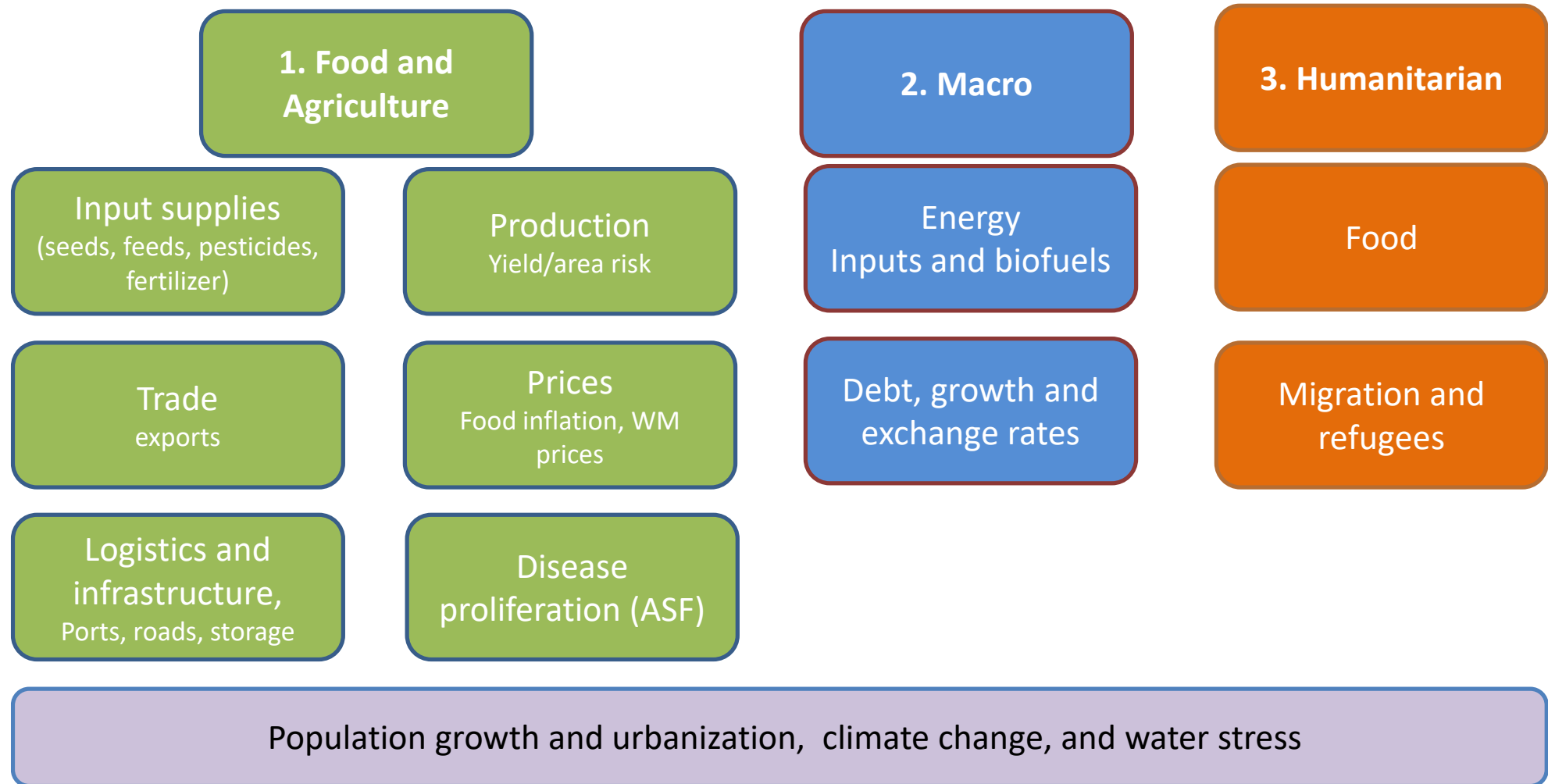
# Fertilizer and energy imports dominate import expenditures on agricultural inputs



Source: FAO, Trade Data Monitor (TDM), FAO calculations



# BASIC RISKS AND UNCERTAINTIES FOR AGRIFOOD SYSTEMS



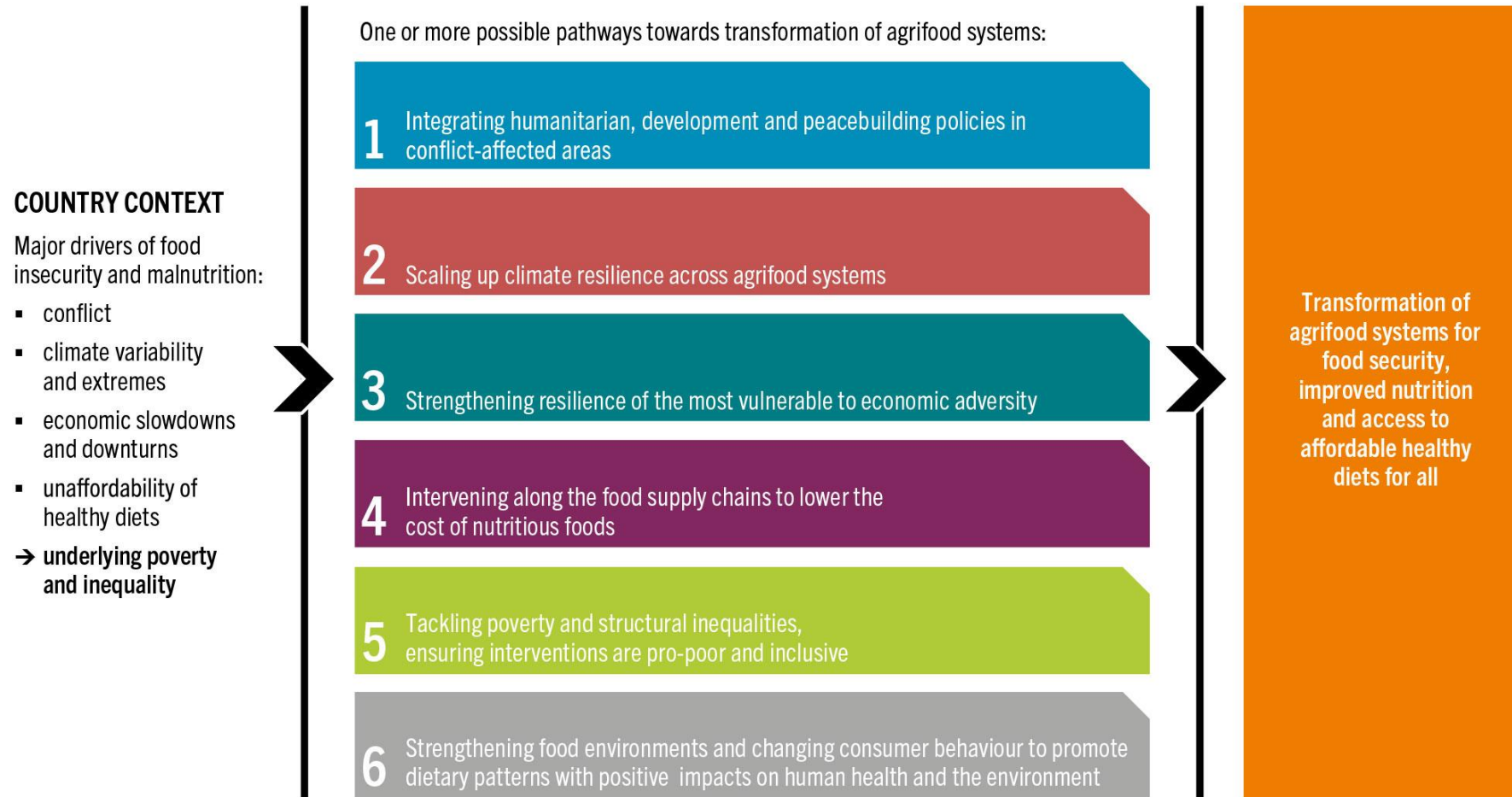


## WHAT NEEDS TO BE DONE?

We need to transform our agrifood systems with **greater resilience to the major drivers**, addressing inequalities while **ensuring healthy diets are affordable**, sustainable and inclusive

# What needs to be done?

## Six pathways towards agrifood system transformation



Source: FAO, IFAD, UNICEF, WFP and WHO. 2021. *The State of Food Security and Nutrition in the World 2021. Transforming food systems for food security, improved nutrition and affordable healthy diets for all*. Rome, FAO.

For more information: <https://www.fao.org/giews/reports/food-outlook/en/>



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