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AGENDA ITEM "IMPLEMENTATION OF MINISTERIAL OUTCOMES"

MINISTERIAL DECLARATION ON THE WTO RESPONSE TO THE COVID-19 PANDEMIC AND PREPAREDNESS FOR FUTURE PANDEMIC

Contribution by the World Food Programme (WFP)

The following submission, dated 9 September 2022, is being circulated at the request of the World Food Programme (WFP).

1 RECENT DEVELOPMENTS IN GLOBAL FOOD INSECURITY

1.1. The world is facing a food crisis of unprecedented proportions. Hunger has been on the rise since 2014. Using data from the 82 countries where it operates, WFP estimated that up to 345 million people will be acutely food insecure or at high risk in 2022, including up to 50 million people right on the edge of famine.¹ The number of food insecure people has been growing since 2019,² with over 200 million new food insecure people from before the COVID-19 pandemic.³ In other words, an estimated 1 in 10 people worldwide are suffering from hunger.⁴

1.2. This seismic hunger crisis has been caused by a deadly combination of four factors:

- **Conflict** is the biggest driver of hunger. 60% of the world's hungry live in areas afflicted by war and violence;
- **Climate shocks** destroy lives, crops and livelihoods, undermining people's ability to feed themselves;
- The economic consequences of the **COVID-19 pandemic** are driving hunger to unprecedented levels;
- **Costs** are also at an all-time high. WFP's monthly operating costs are USD 73.6 million above their 2019 average – a staggering 44% rise. These additional monthly operating costs would have previously fed 4 million people for one month.

1.3. The ripple effects of the conflict in Ukraine are making large parts of the world even more fragile, bringing rising food costs and supply chain disruptions. Overall, 94% of WFP country offices report rising food and nutrition needs due to the impact of the Ukraine crisis.⁵

1.4. Prior to the Ukraine war, international food prices were already high, owing to market conditions, high energy and fertilizer prices, and other factors. In March 2022, global food prices were almost 30% higher than at the same time last year, reaching an all-time high, though prices eased somewhat in the subsequent two months.⁶

¹ WFP Global Operational Response Plan 2021 – Update #5, June 2022.

<https://www.wfp.org/publications/wfp-global-operational-response-plan-update-5-june-2022>

² WFP, A Global Food Crisis, 2022: A year of unprecedented hunger, <https://www.wfp.org/global-hunger-crisis>

³ WFP scales up to support the most vulnerable in global crisis, July 2022, https://docs.wfp.org/api/documents/WFP-0000141089/download/?_ga=2.155250360.2043885065.1662466974-452813577.1576669866

⁴ Sustainable Development Goals Report, May 2022, <https://unstats.un.org/sdgs/report/2022/The-Sustainable-Development-Goals-Report-2022.pdf>

⁵ WFP scales up to support the most vulnerable in global crisis, July 2022.

⁶ Sustainable Development Goals Report, May 2022.

1.5. According to the International Food Policy Research Institute (IFPRI), the volatility and increase in food and commodity prices stemming from the conflict in Ukraine are similar to levels witnessed in 2007/08 and 2010/11, and adding to pandemic-related disruptions with high levels of poverty and income inequality.⁷

1.6. Fertilizer costs are already close to their 2008 peak and could increase by 40%, while climate shocks – including drought, floods and other extreme weather conditions - in major exporting countries could contribute to a significant decrease in cereal production.

2 WFP RESPONSE TO THE GLOBAL FOOD CRISIS

2.1. In 2021, WFP purchased 4.4 million metric tonne of food, valued at USD 2.4 billion. This was the highest volume and value of food procured in over 10 years. Over 70% of the food procured was delivered to complex emergencies, such as Yemen, the Syrian Arab Republic, Afghanistan and Ethiopia.

2.2. Food is procured in countries with reported surplus stocks to minimize the risk of causing deficits and inflating market prices.⁸ However, about 60% of the volume of food procured in 2021 was sourced from countries with ongoing WFP operations. Local food procurement contributed to stimulate their economies at a time when the COVID-19 pandemic was having a major impact on domestic income.

2.3. WFP continued to increase the share of procurement from small-holder farmers. In 2021, WFP purchased 117,000 metric tons of food from smallholders, representing 2.7% of its total procurement. WFP plans to reach 10% by 2027.⁹

2.4. As the largest humanitarian organization with more than 80 country offices covering over 120 countries, WFP is well placed to both save lives and support livelihoods. WFP's 2022 plan focuses on two key areas: prevent millions from dying of hunger by delivering emergency food assistance and nutrition support; stabilise national food systems and supply chains, and support local markets to boost longer term resilience and insulate against future shocks worsening the situation still further.

2.5. Given the increased number of food insecure people, WFP plans to assist 152 million people in 2022, a significant increase compared to the already record-high 128 million people reached in 2021. To mitigate the impact of higher food prices, WFP is also adjusting its sourcing strategies, identifying new markets and investigating potential commodity substitutions in line with beneficiary preferences.¹⁰

3 JOINING EFFORTS ON GLOBAL FOOD SECURITY THROUGH PARTNERSHIPS

3.1. Global food and nutrition needs are at risk of outstripping the ability of the humanitarian community to respond, creating an urgent imperative to look into innovative and collaborative ways to help countries that are acutely vulnerable to food price shocks to stabilize their national food systems and to weather global food market shocks.

3.2. Given its global leadership in humanitarian procurement and supply chain, WFP is currently involved in the various initiatives related to the crisis on food, fuel, and fertilizer. For example, WFP is implementing the Solidarity mechanism, one of the three pillars¹¹ of the French-led Food and Agriculture Resilience Mission (FARM), following the official launch in July 2022.

3.3. The principle underpinning the initiative is global solidarity – a multisectoral response mechanism where countries with surpluses of cereals avail these surpluses to deficit countries.

⁷ <https://www.ifpri.org/spotlight/food-prices-war-ukraine>

⁸ WFP Update on food procurement, June 2022, https://executiveboard.wfp.org/document_download/WFP-0000139003

⁹ Ibidem

¹⁰ Ibidem

¹¹ The FARM's three pillars entail: trade, solidarity and agricultural production.

The private sector will play an important role in the mechanism by making contributions that can be utilized in the purchase and distribution of the cereals.

3.4. WFP's deep field presence, network of field-operating partners, advanced data analytics capacity, global logistics network, and significant purchasing power put the agency in a unique position to work in solidarity with the private sector and key international partners and organisations, including the Food Agricultural Organization (FAO) and International Fund for Agricultural Development (IFAD), to address the acute food needs of the most fragile countries, especially in Africa. Engagements with international financial institutions, the private sector and WFP Member States are ongoing and will continue into October 2022.

3.5. The involvement of the World Trade Organization (WTO) in the FARM's trade pillar also represents a key effort to protect global food security, seeking to avoid a "crisis of confidence" on agricultural markets by avoiding export restrictions and strengthening transparency around agricultural stockpiles and prices. WFP renews its appreciation to the WTO and its Member States for adopting a decision to exempt WFP's humanitarian food purchases from export restrictions at the 12th WTO Ministerial Conference. As also recognised by the FARM mechanism, this historic decision represents a step forward to tackle the global food crisis¹², contributing to joining efforts towards the Sustainable Development Goal 2 on Zero Hunger.

¹² <https://www.diplomatie.gouv.fr/en/french-foreign-policy/development-assistance/food-security-nutrition-and-sustainable-agriculture/international-food-and-agriculture-resilience-mission-farm-initiative-for-food/article/international-food-and-agriculture-resilience-mission-farm-initiative-for-food>