



**Clingendael**  
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## Global food insecurity due to the war in Ukraine

What could the Netherlands and the EU do to alleviate it?



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Food prices have reached an [all-time high](#) in the Spring and Summer of 2022 because of the war in Ukraine, and farmers around the globe are facing substantially increasing fertiliser prices. These effects are not distributed evenly, with the Middle East, North Africa and the Horn of Africa suffering the most from the fall in grain exports from Ukraine. Meanwhile, Pakistan and India are suffering the impact of severe drought on local food production. For millions of people, hunger and the risk of starvation are becoming a reality.

Although Russia and Ukraine signed a [deal](#) in Istanbul to resume Ukrainian grain exports, the Russian [missile strikes](#) on the port of Odesa while the ink of the agreement was still wet shows how fragile this agreement is. Other attempts are being made as well to find a way to get the wheat that is stored in the Black Sea harbours onto global markets, but no easy solution is in sight. This Alert will discuss the (possible) implications for the Netherlands and the European Union (EU) and whether

and how they can act to alleviate the situation.<sup>1</sup>

### Export problems in Ukraine

Russia and Ukraine play a crucial role in the international food chain as significant exporters of agricultural products. Before the war they [supplied](#) up to 6 per cent of the food calories available on the international market. Russia and Ukraine are particularly big exporters of certain produce: last year, the three [largest exporters](#) of sunflower seed products (80%), wheat (30%) and maize (15%) globally included one of these two countries. And in 2021, Ukraine was the [largest](#) supplier of food aid provided through the World Food Programme (WFP).

The protracted war in Ukraine is having a dire impact on these exports. First, the Russian aggression directly impacts Ukrainian farmers' ability to continue agricultural work. As a considerable number of farmers have joined in the war, crops are not being harvested. Where farmers are available, it can be dangerous to work the land where fighting persists. Second, transporting the produce proves to be a challenge as large parts of south-eastern Ukraine are under Russian occupation and roads and other vital infrastructure have been damaged throughout Ukraine. Because of this, supply chains have been significantly [disrupted](#).

Third, even when produce can be moved within Ukraine, the next challenge is to export it. So far, the Russian control over port cities such as Mariupol has made it impossible to operate these harbours, which Ukraine has now formally [closed](#). Combined with the Russian naval blockade of other Ukrainian ports, such as Odesa, and the laying of mines to prevent a Russian landing from the Black Sea, it has become largely

impossible for Ukraine to export any goods by sea.

Both countries have signed an [agreement](#) with Turkey and the United Nations last week to clear a safe passage for the grain exports. Ukrainian pilot vessels would navigate commercial cargo ships through the mined waters, while staff from all the parties involved monitor the movement of the ships from a joint coordination centre in Istanbul. Before the ships navigate towards Ukrainian ports to collect grain, this centre will check if there are no weapons on board that Ukraine could use in the war. In the deal, Russia and Ukraine have promised not to attack the ports or ships involved in this deal, but the Russian strikes on Odesa hours after reaching the agreement and the port infrastructure of [Mykolaiv](#) two days later indicates its fragility.

As a result, Ukraine relies on alternative options for exporting, such as the railway system, until the 'grain deal' is fully implemented – if it will be at all. However, the railway network has limited [capacity](#), both in Ukraine and on the eight railway connection points on the border. There are also limits to the volumes that can be transported: it [takes](#) a multitude of trains to transport the same amount of grain as a single vessel could have carried. It is also far more expensive, even if there are sufficient trains available.

### Potential disruptions to global food security

The impacts of these export difficulties and accompanying inflation are [fostering](#) global unrest and being felt around the world. This is particularly the case in the Middle East and North Africa (MENA), where cereals constitute an important dietary component without many alternatives and the countries of the region rely heavily on imports.

Various states in the region [import](#) a large share of their cereals from Ukraine and Russia, which is especially the case of Libya (55%), Lebanon (47%) and Yemen (31%). Although these countries could switch to

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<sup>1</sup> An earlier version of this Alert was written in May 2022 as a position paper (unedited draft) for the standing committee on agriculture, nature and food quality (LNV) of the House of Representatives of the Netherlands.

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different suppliers, the higher prices on the international market mean that they feel the impact of the export difficulties either way.

As cereals make up an important dietary component and these countries rely heavily on imports to keep up their cereal levels, they are positioned amongst the states most vulnerable to food security risks. This is especially the case of Lebanon, which is already in a state of emergency due to the financial and economic crisis in the country. The rising food insecurity further [endangers](#) the social and political stability in the country, although the question remains to what extent this additional food shock will make a difference in the ongoing crisis.

Governments in the Arab world often subsidise the basic necessities of life, such as food. However, not all states will necessarily have sufficient funds to cover the price changes, which could lead to increased unrest. Their vulnerability to the price fluctuations of these goods has driven people onto the streets on multiple occasions before. This happened in 2008 and 2009, when people in Tunis protested against high bread prices, caused partially by export restrictions from Ukraine and Russia due to a drought. Indeed, food prices played an important role in the Arab Spring, when rising prices [intensified](#) already present tensions.

Because Ukraine is such an important supplier of food aid provided through the WFP, which used to [buy](#) almost half of its grain from Ukraine, it is becoming increasingly challenging and costly to provide this food aid to countries in need. An example is the case of Yemen, where the WFP [warns](#) that its operational costs have increased significantly, while only a tenth of its required funding to continue for the next six months remains. Additionally, there [are concerns](#) that countries will redirect existing aid funds to support Ukraine, as the UK [has done](#), drawing budgets away from other crises.

In other parts of the world, these supply problems due to the war in Ukraine might be exacerbated even further by weather conditions. Over the past weeks an extreme

heatwave has scorched South Asia, as a result of which India decided to [ban](#) wheat exports. Drought in Europe is also a factor to take into account, as various parts of Europe have dealt with extreme drought due to the lack of rainfall and heatwaves in May and June, which is [expected](#) to continue over the next couple of months. In the Netherlands, farmers [warned in May](#) that harvests could fail due to a lack of rain, and although rainfall has [prevented](#) this scenario in the Netherlands for now, the issue of drought is [forecasted](#) to continue in the years ahead.

## Fertiliser deficit

Beyond the availability of agricultural products, the war also has a significant impact on the price and availability of fertilisers. Russia is a [major exporter](#) of fertilisers and [provides](#) 20% of the worldwide supply, together with Belarus. Last year (2021), Russia was the [largest](#) supplier of nitrogen fertilisers, the second-biggest exporter of potassium fertilisers and ranked third in the case of phosphorous fertilisers.

Now, however, a significant volume of these fertilisers is [stuck](#) in Russia and Belarus due to [sanctions](#) imposed by the West. While the EU sanctions only cover bilateral trade, various parties involved in the fertiliser trade with Russia are pulling back, fearing that their business will later fall under the sanctions. Another aspect of the 'grain deal' brokered by the UN and Turkey was to seek safe shipping of Russian fertiliser products, and although the Russian government is trying to compensate for export issues by [easing export](#) quotas, the availability of fertilisers is limited and prices of it have increased on the global market. Rising energy prices are playing into this as well, as gas is one of the key inputs in the production of fertiliser.

As all of the transoceanic shipments of fertiliser have already been completed for the upcoming spring season in the northern hemisphere, the shortage and increased prices of fertiliser [might not](#) have an immediate impact on the price and production of food. In the longer term, however, farmers are left with a dilemma.

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While farmers could opt to increase their production of cereals to fill the gaps in the global markets and profit from higher pricing, these efforts might be rendered futile by the increased fertiliser prices. Opting for alternative crops that require less nutrition could be a more reasonable option. Alternatively, farmers will have to pass on the increased fertiliser prices to their buyers, use less fertiliser on their crops or cultivate less land altogether – all options that would result in further increases in food prices.

### Implications for the Netherlands and the EU

The food security effects of the war in Ukraine will also be felt in the Netherlands and the European Union (EU), primarily due to the higher fertiliser prices. These prices have a direct impact on farmers' business models and the subsequent pricing of their produce, although they might be required to pay for this themselves out of their margins as they sell at auctions.

But while prices of certain products might go up, Dutch food security is not yet under threat. Agricultural goods from Ukraine [make up](#) only 2.1% of the total imports to the Netherlands, although the share of cereals (19% of the total) and animal and vegetable fats and oils (8%) is more substantial. However, it is relatively easy to switch to a different supplier. And only a small percentage of Dutch meat (2.4%) and fodder (1%) comes from Ukraine.

For the Dutch organic sector, the consequences might be more serious, as Ukraine is the [most important](#) country of origin for imported organic agrarian goods in the Netherlands. In particular, the availability of organic fodder could come under pressure, potentially leading to higher prices of biological meat further up the food chain.

In Europe, the situation has prompted a renewed debate on what President Macron labelled “food sovereignty”, a concept that was [introduced](#) at the World Food Summit in 1996. Because of global food security

concerns, farmers in Europe are called upon to produce more grain. The EU's Farm to Fork policy goal to set aside agricultural land for nature has been temporarily put on hold, and the Czech presidency of the EU Council has [suggested](#) to forget about the Farm to Fork strategy for the next months.

The need for enhanced food self-sufficiency and exports to the vulnerable ring around Europe is [emphasised](#) within the EU's traditional agricultural countries, including France, Romania and Poland, as well as by the Commissioner for Agriculture Janusz Wojciechowski. By contrast, environmental NGOs and Commission Vice-President Frans Timmermans [argue](#) that the situation should not be exaggerated. Sustainable agriculture with less use of fertiliser and lower meat consumption would be the best way forward. Many of the agricultural lands are currently not used for staple foods, but rather for cash crops and dairy products.

For the Netherlands as a major agricultural exporter it is important to take a position in the EU debate on food sovereignty. There will be more pressure on the use of land and glasshouses; will these be used for the production of fodder, flowers, meat and dairy, or rather the staple foods that all people need on a daily basis in order to survive? The higher food prices come on top of high energy prices, which also increase farmers' production costs, and not all lands are suitable for the production of grains and vegetables. Another issue of particular relevance to the Netherlands is the need to set more agricultural land aside for nature because of the nitrogen crisis that threatens vulnerable nature areas and has resulted in a legal ban on permits for new homes and infrastructure.

### Can Russia be trusted on the grain deal?

The recently concluded ‘grain deal’ could be an important first step towards restoring the Ukrainian grain exports from its Black Sea ports. However, the conflicted interests of the parties involved have so far posed a



challenge to finding a short-term solution for the problem at hand, and leave little room for optimism going forward.

While Ukraine could very well use the income from grain exports, it wants assurances that Russia will not use the safe passage for cargo ships to launch an attack on Odesa by sea and remains sceptical towards Russian promises. As Russia launched missile attacks on the port of Odesa, hours after it promised to refrain from such attacks when signing the 'grain deal', Zelensky [indicated](#) that the Russian implementation of the agreement cannot be trusted. If a safe passage for cargo ships will be established while Ukrainian harbours do not function properly due to attacks, it could even take up to two years to export all the grain that is currently stuck in silo's and the grain from the new harvest, [according](#) to Zelensky's economic advisor Oleh Ustenko. Moreover, would commercial shipping companies be willing to navigate towards Ukrainian ports, considering the risk of Russian missile strikes, which would pose a significant safety and insurance risk?

On the other hand, Russia seems to be cooperative for appearances' sake. While it says it would ensure a safe passage for cargo ships and denies that it is blocking grain exports in the first place, Russia continues its attacks on Ukraine. In first instance, Russia denied that it had hit the harbour of Odesa, only to [admit](#) this later on, arguing that only military infrastructure was targeted. Russia is even [exporting](#) Ukrainian grain from occupied territories itself: a Russian ship with stolen Ukrainian grain was recently [detained](#) by Turkey. As Russia has little to gain from allowing Ukrainian grain to leave the country, beyond winning goodwill, and would have to let go of one of its major levers in the war, we will have to wait and see whether the 'grain deal' will actually be implemented.

## Is there anything the Netherlands and the EU can do to enhance global food security?

Meanwhile, the EU is attempting to contribute to a solution for international food insecurity in several ways. In March, the Commission [announced](#) an extra support package of €500 million to support farmers in the EU who are most affected by the war in Ukraine, in addition to a €330 million support programme for Ukraine. Two months later, in May, the Commission [launched](#) a plan to increase the capacity on roads and railways for Ukrainian grain, and to arrange ships and warehouse capacity in EU states to store this grain. Measures have also been taken to reduce food safety procedures at the borders between the EU and Ukraine. However, this cannot be achieved in an instant, and the deputy head of President Zelensky's office recently [called upon](#) the EU to do more to unblock Ukrainian ports.







What more can be done? In the longer run, one solution would be to stimulate local food production in the MENA region and East Africa with [climate-smart agriculture](#), using seeds that are more drought-resilient, for example. Another option would be to increase food storage in countries at risk to reduce their exposure to short-term import shocks. Finally, alternative diets could be promoted; ones that contain more proteins from plants and less proteins from meat, with less grain being used for fodder and more being exported to feed people who depend on cereal products daily.

If successfully implemented, the Russian-Ukrainian 'grain deal' would be a critical first step towards alleviating the global food insecurity caused by the war in Ukraine. However, considering all the complications at hand, it seems that only an end to the violent conflict could really lead to relief and the full resumption of grain and fertiliser exports, but that does not seem to be on the menu.

### About the Clingendael Institute

Clingendael – the Netherlands Institute of International Relations – is a leading think tank and academy on international affairs. Through our analyses, training and public debate we aim to inspire and equip governments, businesses, and civil society in order to contribute to a secure, sustainable and just world.

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