

Food trade and food security in the coronavirus pandemic

The coronavirus pandemic has not only created a global public health crisis, but it has had a significant effect on the global economy and international trade. Measures to deal with the consequences of the pandemic while also affecting food trade have impacted on the world's food systems and have raised concerns for global food security. The EU is committed to keeping trade flowing and supply chains functioning, and supports international cooperation to promote food security.

International trade affected by pandemic-induced crisis

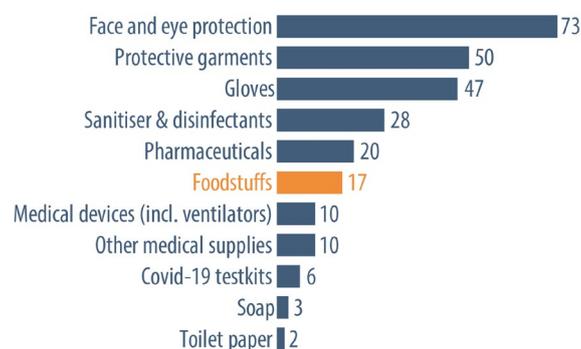
To curb the rapid spread of the virus, unprecedented containment measures have been adopted worldwide that have restricted movement within and across the borders and shut down businesses' activities. Lockdown policies [resulted in](#), for instance, significant reductions in production, disruptions in logistics and distribution, and a drop in purchasing power and [trade finance](#). As a consequence, the World Trade Organization (WTO) predicts a decrease in global merchandise trade of [between 13 % and 32 %](#) in 2020.

Although the WTO [broadly prohibits](#) the use of export prohibitions and restrictions, it allows their temporary introduction if a critical shortage of food or other essential products in an exporting country needs to be prevented or mitigated. Where members prohibit or restrict export of foodstuffs, the WTO [Agreement on Agriculture](#) provides that they must give due consideration to the food security of importing countries. In addition, the 'general exceptions' of WTO rules allow a member to introduce prohibitions and restrictions in order to pursue certain legitimate policy objectives, such as the protection of human, animal or plant life or health, under the condition that the application of the measures does not entail arbitrary or unjustifiable discrimination between countries, and does not constitute a disguised restriction on international trade.

The [WTO Secretariat's information note](#) of 23 April 2020 estimated that 80 countries and separate customs territories (of which eight were not WTO members) had introduced export prohibitions or restrictions in the context of the coronavirus pandemic (See Figure 1). While most of the measures concerned medical supplies, 14 WTO members and three observers also imposed measures on food products. Although, in principle, all these measures should be notified, the WTO notes the low number of notifications. Thus, three notifications on foodstuffs export restrictions have been sent by Kyrgyzstan (wheat, rice, etc.), North Macedonia (wheat and wheat flour), and Thailand (eggs).

According to the [food trade restrictions tracker](#) of the International Food Policy Research Institute (IFPRI), as of 25 May 2020, 11 countries apply active binding food export restrictions, among them Kazakhstan (buckwheat, sugar, etc.), Russia (wheat, rye, barley, etc.) and Ukraine (buckwheat, buckwheat grain).

Figure 1 – Number of countries and separate customs territories introducing export prohibitions and restrictions, by category of product (as of 22 April 2020)



Source: [WTO Secretariat](#).

Effects of the pandemic on global food trade and food security

The pandemic has already had [direct and indirect impacts](#) on food systems. These have included workforce shortages hampering production and processing activities, [reduced cargo possibilities](#), additional health and safety measures requirements for supply chain members, panic-buying followed by decreased

demand, but also reduced purchasing power. However, until now, according to the United Nations Food and Agriculture Organization (FAO), the supply of foodstuffs has been satisfactory and disruptions have not been significant. Global cereal reserves, for instance, are adequate, and prospects for wheat and other key staple crops for 2020 are favourable. At the same time, the FAO anticipates further disruptions in supply chains, with particular difficulties in, for instance, fresh food supply chains. Factors such as seasonal labour shortage and blockages of transport routes may affect the availability of these products, and not least, significantly increase the level of food losses and waste. This applies, for instance to fruits and vegetables, as well as to fresh fish and aquaculture products. Workforce issues may also adversely affect production and processing in the meat sector.

In addition to food availability, access to food is also an important dimension of food security. [Analysts](#) recall the food price crisis of 2007-2008, when export restrictions imposed by certain major food-exporting countries triggered the use of similar measures by other exporting countries, which led to price increases. According to the [May 2020 Market Monitor](#) of the Agricultural Market Information System (AMIS), recent and mostly temporary restrictive measures have so far had only a limited adverse effect on [international prices](#); however, the poor and the most vulnerable sections of the population would in particular be at risk of access difficulties arising from food price spikes and falling revenues. [Experts](#) also stress the need to keep food supply chains [open and efficient](#), in order to preserve jobs that provide income and livelihoods, and to contain price increases and critical shortages. Although currently it is largely unknown to what extent the pandemic will affect agricultural markets, the [FAO's analyses](#) generally expect a decrease, both on the supply and on the demand side, with the latter due to slowing economic activity and rising unemployment. According to the 2020 [Global Report on Food Crisis](#), the 135 million people in 55 countries and territories who were in acute food insecurity in 2019 are the most vulnerable to the consequences of the pandemic. In addition, countries that are highly dependent on food imports or on exports of first-degree substances, such as oil, are also among those vulnerable to lack of food security. The report adds that at the time of the publication, the extent of the pandemic's effects on these countries is unknown. [Developing countries](#), where the pandemic may endanger income and labour-intensive forms of production, are also at risk.

The EU's initial Covid-19-related trade actions also affecting food trade

The EU's initial actions were aimed at addressing the immediate public health crisis, with the objective of ensuring the cross-border flow of vital [medical supplies](#), basic [agricultural products](#) and other goods and services. On [7 April 2020](#), the EU notified to the WTO eight Covid-19-relevant steps including various fields of actions affecting international trade operations, such as the [guidelines](#) for uninterrupted air cargo services ensuring the operation of European and global supply chains. Subsequently, the EU informed the WTO about new trade measures to address the economic impact of the pandemic on [24 April 2020](#). EU export authorisation measures did not apply to agricultural and food products, but to certain items of personal protective equipment. Although not directly pandemic-induced, on [27 April 2020](#) the EU set [import duty](#) on maize, sorghum and rye. The low price of US maize, due inter alia, to the fall in oil prices caused by the Covid-19 outbreak, has activated an existing automatic mechanism calculating import duties for these cereals to protect EU cereal producers from being at a disadvantage.

At the G20 ministerial meeting on [30 March 2020](#), Trade Commissioner Phil Hogan, given the adequate global food supply, considered the introduction of export restrictions and other distortive measures in the agri-food sector unjustified. In a speech of [16 April 2020](#), Agricultural Commissioner Janusz Wojciechowski called for keeping domestic and international food supply chains functional to prevent a global food security crisis and to ensure food security for the most vulnerable. The joint statement of [16 April 2020](#) of the Croatian Presidency and the European Commission stated that, 'in the long-run there will be a need to ensure the resilience and sustainability of global value and supply chains'. On [22 April 2020](#), the EU and 21 other WTO members, in a joint statement, committed to keeping agri-food supply chains open and connected, and to refraining from creating domestic food stocks. The parties to the statement pledged to introduce agriculture and food products-related emergency measures that are targeted, proportionate, transparent and temporary.

According to the [European Commission](#), 2019 was an outstanding year for the EU in terms of agri-food trade. Not only did the value of exports reach €151.2 billion, an increase of 10 % compared to 2018, but the value of the trade surplus was also more than 50 % higher than in 2018, reaching €31.9 billion.

