

# THE CAPI CONNECTION

Elise Bigley | Editor

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## COMMENTARY

# Russia's invasion of Ukraine is affecting global food security: How Canada can help

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The invasion of Ukraine should change how Canadians think about global food security. Now more than ever, food producers need to think about how they can boost productivity to meet the critical need for available, accessible, affordable food.

Consumers around the world were feeling the impact of higher food prices even before Russian troops crossed the border into Ukraine. In Canada, prices increased more than five percent from January 2021 to 2022. However, that increase pales compared to what is being experienced around the world. The Food and Agriculture Organization (FAO) Food Price Index went



from 113 to 135 in that same time, reaching a new all-time high. Adjusted for inflation, food prices are at their highest since the index was created in 1961.

Driven by concerns over tight supplies and a possible invasion, the Index climbed higher in February, and it will likely continue to reach new records for the foreseeable future. This is incredibly painful

in the developing world where families spend 30 percent or more of their income on food. In Canada, that number is 10 percent.

The Russian invasion will likely have a significant impact on global food security. There is an immediate need to feed millions of refugees fleeing Ukraine. The invasion, the blockage of the Black Sea, and economic sanctions will effectively make 80 percent of the global trade of sunflower oil, 35 percent of wheat, 25 percent of barley, and 20 percent of corn out of the supply equation in nations that desperately need to import that food.

Intervention from the World Food Programme, governments, and philanthropy efforts will help feed refugees.

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## WHAT'S NEW AT CAPI

### Data Dashboard

**FOOD SECURITY  
IN THE WAKE OF  
THE UKRAINIAN  
CRISIS**

### Research Report

**CARBON  
SEQUESTRATION  
IN AGRICULTURAL  
SOILS:**

Addressing  
Canada's Climate  
Change Targets

### Webinar

May 18th, 12pm ET

**TRANSLATING  
SCIENCE  
TO POLICY:**

Soil carbon  
sequestration in  
Canada's croplands

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These efforts will divert focus and resources away from the one-in-four people, globally, who are moderately to severely food insecure.

The future of food will help address food security in the long term. That future will likely include solutions like vertical farming and cellular agriculture. It should match production to a region's potential. It must include more food being produced in Africa and the Middle East.

Today, there is an urgent need for more food.

As an immediate measure, Europe and the United States are considering taking land out of conservation set-asides and bringing it back into production. There are increasing calls for the EU to rewrite its Farm to Fork strategy with a more explicit focus on boosting production to increase self-sufficiency.

Canada has fewer tools available to boost its already high agriculture productivity, especially in the short term. We do not have significant amounts of land set aside that could be brought back into production. Planting intentions are primarily set for 2022, and we do not hold meaningful reserves.

That does not mean that there is nothing we can do to address both acute and chronic food global security challenges.

To start, Canada needs to ensure that it does not reduce its agricultural productivity. Efforts to increase sustainably, such as the federal nitrogen fertilizer emission reduction target, need to carefully consider their consequences on productivity. There also needs to be an examination of farm input supply

chains, including fertilizers, to ensure they are reliable. Canada should identify opportunities to boost domestic production of key inputs and implement policies needed to enable it.

Canada should also increase investments in research and encourage innovation to further boost productivity. There is a critical need for more public and private investment in productivity-boosting areas, including developing new plant varieties, improving plant and animal efficiency, and reducing waste.

Canada should also support international efforts to boost food production in regions that are not meeting their full potential.

Ultimately, Canada's agri-food system needs to think more globally about its role in addressing food security. Exports should no longer just be considered for their economic benefits. They play a more important role by increasing the availability and affordability of food around the world.

Not only is increasing food security the right thing to do from a humanitarian perspective, but it is also the right thing to do from a security perspective, too. The last time the FAO price index was this high, there were riots around the world, leading, in part, to the Arab Spring. Protests have already started again in Kazakhstan and the Middle East.

Increasing food prices and disruptions in food availability risk spreading the crisis far beyond Ukraine's borders. The invasion of Ukraine is changing how we think about the world. It also needs to change how Canadians think about food security and our country's role in feeding the world.

## WHAT WE ARE READING

# The Importance of Ukraine and the Russian Federation for Global Agricultural markets and the Risks Associated with the Current Conflict

Repercussions from the Russian invasion of Ukraine on commodity markets continue to dominate the news. The most recent food price data from the Food and Agriculture Organization (FAO) demonstrate the consequences of disrupting such a large share of the world's wheat, corn and sunflower exports, as described in CAPI's One Great Graph.

In What We are Reading this month, we learn more about the war's repercussions and impacts on prices, production, trade, logistics, energy, humanitarian and food security risks from an FAO report entitled "[The Importance of Ukraine and the Russian Federation for Global Agricultural markets and the Risks Associated with the Current Conflict](#)" (March 25, 2022).

In addition to describing the risks, the report goes on to recommend actions



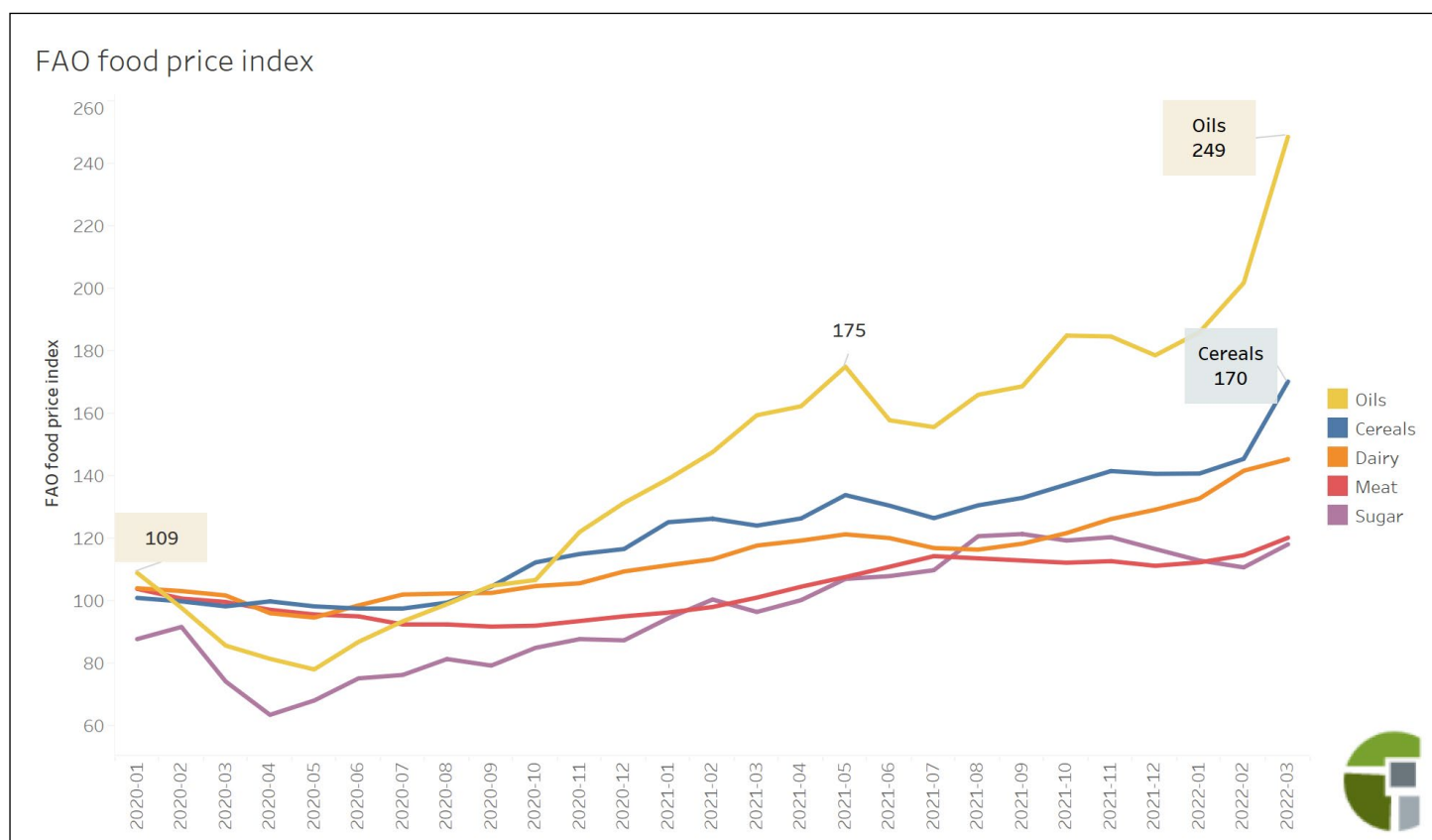
for a global response to ensure that trade in food and fertilizer products remains as open as possible to stabilize markets, prevent further price spikes, food shortages, and to meet global and domestic demand for food. The FAO recommendations promote increased market transparency and policy dialogue, timely monitoring and well-targeted social protection interventions, to assist internally displaced people and refugees, and to protect the world's vulnerable population from starvation and civil unrest.

## ONE GREAT GRAPH

# Higher input costs creating a negative supply shock in global food market

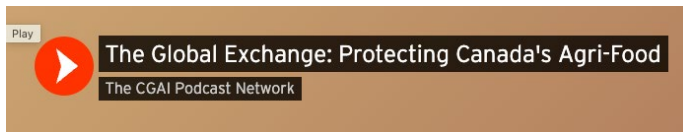
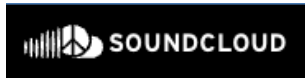
The global food market has experienced a negative supply shock, evidenced by FAO's latest monthly release of the food price index by category (March 2022). Price increases are being driven by higher input costs (fertilizer and fuel), increased demand, shipping disruptions in the Black Sea, uncertainty around future global production and export capacity, and a decreased willingness to trade current stocks.

Oils and cereals experienced the most notable price spikes in March 2022. Ukraine is the world leader in sunflower oil exports and the second-largest exporter of corn; therefore, its future production and export capacity are uncertain in light of their ongoing conflict with Russia. In the face of short supplies, households and governments alike have increased demand by purchasing more product than usual and by restricting the export of certain foods.



Data retrieved from: <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

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How Canada's agri-food system policies need to adjust for new global realities

## LA VIE AGRICOLE / LVATV.CA

Pour voir l'Agriculture au Québec

**La guerre en Ukraine, une situation géopolitique qui devient une opportunité pour le Canada? On en parle avec Stéphanie Hamelin et Patrick Turmel de la Banque nationale**

## LA VIE AGRICOLE / LVATV.CA

Pour voir l'Agriculture au Québec

**Relier l'environnement, l'économie et la sécurité alimentaire dans l'agriculture**



**More action urged to increase agricultural productivity**



**Report fears emission goals trump ag productivity**



La référence en nouvelles technologies agricoles au Québec

**La place du Canada durant le conflit en Ukraine**



**Trudeau expands cash advances for farmers as spring planting costs surge**

*Initiative part of broader plan to maximize food production as the war in Ukraine threatens to tighten the global food supply*



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## THE WESTERN PRODUCER

**Declaring a sector an essential service would be tricky**

## SALTWIRE

David Staples: Perfect storm leads to skyrocketing food prices in Canada, starvation in poor countries

## THE WESTERN PRODUCER

**Ag requires more than emission cuts**

## THE GROWER

**How to sequester more carbon in agricultural soils**

## Farmtario

**Opinion: No quick fixes for rising global food insecurity**

## ONTARIO Farmer

**Mussell offers advice regarding war in Ukraine**

## Farmtario

**Can Canada make up for a shortfall of grain from Ukraine?**

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## Support CAPI

You can make a difference! Become a partner or supporter of our work through the Canadian Agri-Food Foundation, a registered charity. Your commitment is vital as it is urgent to intensify our efforts as agriculture and agri-food can be essential solution provides for the economy, environment, health, food and global security but creative policy changes are essential. Click [here](#) to learn more.