

Surging trade, record import bills and rising food prices: how the international food system kept a lid on a global health crisis

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With the benefit of new data published on global trade flows, spanning the COVID-19 pandemic – from its onset to the first quarter of 2021 – this special feature provides a quantitative “reality check” on the status of global trade, both at the total merchandise level and at the food and agriculture sector level.

Why it matters? At the onset of the pandemic, considerable alarm was raised at the prospect of the global food system significantly contracting in the wake of collapsing international supply chains as well as demand faltering due to the recessionary impacts of the pandemic. Even today, alarmist views linger on, continuing to cast doubt on the resilience of food systems to the effects of COVID-19. This Special Feature seeks to allay these fears, by presenting data-driven evidence and corroborative analysis.

The Special Feature is divided into two parts, with each drilling-down into the dimensions of trade and those factors that have shaped these dimensions, and which continue to do so. In setting the stage, the first part examines the degree to which global trade has held up – its overall resilience – to the initial shock of the COVID-19 outbreak, and how that trade is responding, as the effects of the pandemic continue to reverberate. The second part looks at trends in food import bills, particularly examining on whether record rises in bills are driven by higher value (i.e., prices) or higher volume (i.e., demand). Emphasis is placed on economically vulnerable countries, since they are most exposed to rising import expenditures, especially in their fiscal and macroeconomic capacity to meet higher expenditures. With international food prices currently gaining rapid momentum that is contributing to higher import costs, attention is also paid on the merits of price indicators, in capturing the true scale and scope of the price rises from an importers’ perspective.

Resilience and resurgence – a portrayal of international trade developments amid the pandemic

Shortly after the outbreak of the COVID-19 pandemic, the outlook for global trade appeared bleak. The predictions by authoritative agencies indicated a contraction in global total merchandise trade (TMT) exceeding that of the precipitous fall during the deep global financial crisis of 2008–2009 and a slow recovery path drawn out over many years.^{1,2} Trade in food and agriculture was not expected to escape the weight of the pandemic, with contractions foreseen at the time to reach or even exceed those predicted for TMT, followed by a similarly protracted recovery.

More than one year further into the pandemic, have these predictions materialized? With the benefit of quantitative evidence from post-outbreak trade data,³ this section seeks to assess how global trade has actually fared. With food and agricultural trade benchmarked against TMT, emphasis is placed on identifying the factors driving changes in regional and product flows, on what could be the trajectory for trade for the remainder of 2021, and finally, on the importance of changes in the share of agriculture in total merchandise imports as an early warning indicator.

The big picture – what we can expect

Based on evidence to date, the picture for TMT is one of a sharp contraction and an equally sharp recovery. The initial pandemic-induced contraction in TMT was remarkably shallow and short-lived, and characterized by an exceptionally narrow I-shaped rebound. In both value

¹ Economic Commission for Latin America, 2020. The effects of the coronavirus disease (COVID-19) pandemic on international trade and logistics, Special Report Number 6.

² https://unctad.org/en/PublicationsLibrary/ditcmisc2020d2_en.pdf.

³ Trade data reported in this special feature may deviate from those shown in ‘Agricultural trade & policy responses during the first wave of the COVID-19 pandemic in 2020’ (www.fao.org/3/cb4553en/cb4553en.pdf). While both studies are based on the same primary data source (Trade Data Monitor), their underlying data processing methodologies differ. Importantly, all data presented in this document have been subjected to outlier detection and error correction procedures; they have also been supplemented by numerous imputation techniques, include unit value imputation and trade flow mirroring’

(measured in current US dollars) and volume terms (values in constant prices of 2015),⁴ TMT has already exceeded pre-pandemic levels and has embarked on a rapid expansion path that portends further growth (see Figures A1 and A2). This is supported by the fact that for the first half of 2021 compared with the same period in 2020, growth in total merchandise trade has nearly returned to its pre-COVID-19 trajectory, which amounts to an extraordinary development in view of the slump in real overall economic activity.⁵ Beyond the initial outbreak, successive waves of the pandemic that have taken their toll in many major import destinations, the retrenchment in global trade is firmly anticipated to be much shallower, and the recovery much faster than model-based approaches foresaw.⁶

While global merchandise trade remained remarkably resilient to the impacts [logistical (supply) and economic (demand)] of the COVID-19 outbreak, of all the sectors, trade in agricultural products emerged as the most robust to the effects of the pandemic. This is exemplified in Figures A3 and A4, where it is seen that at the onset of the pandemic, i.e. in the second and third quarters (Q2 and Q3) of 2020, the (nominal) value of global agricultural imports and exports did not falter, and similarly, there was no discernible slowdown in values at the product level. However, a mild consolidation was observed for traded volumes. During Q4 of 2020, driven by a gradual edging up in trade prices of agricultural products on the back of accelerating recovery of the global economy, a strong expansion in agricultural trade in both nominal values and volumes was observed. Moving in to 2021, the pace in the growth of volumes has begun to moderate mostly on continued upward price momentum and higher freight costs.

⁴ Volumes are arguably a better indicator for the overall trade development, as they eliminate swings in prices and can function as a good barometer of overall economic activity driving trade and as a sound predictor of potential resource constraints, including shortages in transport vessels and containers.

⁵ There are a number of factors that could have contributed to the recovery in total merchandise trade. Arguably the most important contribution has arisen from the various economic stimulus packages provided by many large economies, notably by high-income countries. A combination of general fiscal expansion, targeted unemployment benefits, and further monetary easing has kept consumer spending in high-income countries at relatively elevated levels, helping to avert a deeper demand shock following the supply shock exerted by the lockdown measures. The aggregate fiscal expansion of advanced economies since the pandemic started is estimated to have reached USD 15.9 trillion (USD 9.6 trillion on above the line measures (ATL) and 6.3 on below the line measures (BTL)), or 25.3 percent of the GDP (15.3 percent on ATL and 10 percent on BTL) of these countries, compared with USD 2.5 trillion or 7.9 percent of the GDP from emerging markets, and USD 52 billion or 2.3 percent of the GDP from LIDCs.

⁶ E.g. World Trade Organization, 2020. Trade set to plunge as COVID-19 pandemic upends global economy. Geneva. (also available at www.wto.org/english/news_e/pres20_e/pr855_e.htm).

Why has trade in food and agriculture been so resilient to the effects of COVID-19?

Numerous reasons can be put forward for the strong resilience of agricultural trade to COVID-19-related shocks. Some of these apply in general, while others are specific to the circumstances of the pandemic. The general reasons point to the low-income elasticities of demand (i.e. import demand less susceptible to income changes) for food and agricultural products, at least at global level. At country level, considerable contractions in demand for internationally traded products are of course possible, and in fact are very real. More specifically to COVID-19, transport systems and supply chains appear more resilient than previously assumed, reflecting the dominance of bulk shipments for non-perishables, which are highly capital-intensive and labour-saving. Also specific to the COVID-19 pandemic is the fact that large commodity exporters in general, and the leading agricultural exporters in particular (e.g. Argentina, Brazil), experienced a sharp depreciation of their exchange rates, thereby sustaining their exports through improved competitiveness. By contrast, some of the most prominent agricultural importers (e.g. China) saw their exchange rates appreciate, speeding up the pace of their purchases in the international marketplace.

There is a growing body of research suggesting that most exporting countries use the US dollar as the currency of choice,⁷ and that exchange rate changes therefore only affect trade with the United States of America. Trade with other countries is not affected (or at least less so); the trade data available for 2020 and 2021, however, do not support this finding. On the contrary, the data suggest that those countries (especially in Latin America) that saw a depreciation of their currencies relative to the US dollar in 2020 also saw a strong rise in their global exports, beyond the borders of the United States of America, both in values and volumes (see Figure 4b and Figures A5-A12). The effects of exchange rate changes on trade flows consequently warrant a deeper analysis.

Does resilience at global level translate to regions and countries?

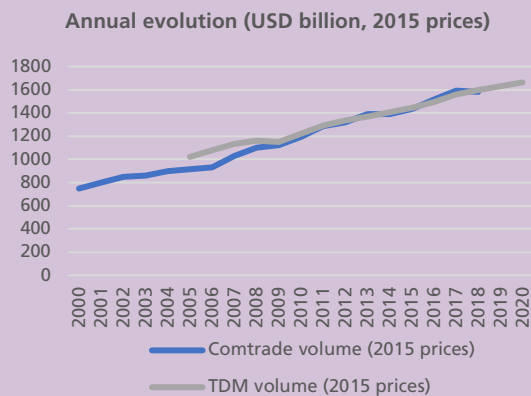
Focusing on major trading countries, as reported in the TDM database, comparisons of changes in absolute terms (nominal values in US dollars) capture the importance of

⁷ Boz, E., Gopinath, G. & Plagborg-Møller, M. 2017. Global trade and the dollar. NBER Working Paper No. 23988; and Boz, E., Gopinath, G. & Plagborg-Møller, M. 2019. Dollar invoicing and the heterogeneity of exchange rate pass-through AEA papers and proceedings, Vol. 109. An overview of the rationale and the key arguments put forward by Boz et al. is provided in 'Global trade's dependence on dollars lessens its benefits', The Economist, 29 August 2020.

Box. Is the recovery in agricultural trade on-trend?

An important question to address is the extent to which the COVID-19 shock has affected the longer-term trajectory of world agricultural trade (in terms of imports). From Figure 1 and the adjacent table, the results are telling. Using combined datasets, those of UN Comtrade and Trade Data Monitor (TDM) – since the latter commences from 2005 and encompasses the COVID-19 era, while Comtrade spans pre-2005 but has yet to publish data post-2019 – it can be seen that the growth in the value of global agricultural trade, which prior 2011 was particularly vibrant, has since lost its vigour.

Figure 1: The evolution of trade volumes of world agricultural imports (constant prices of 2015) from Jan 2005 to the COVID-19 era.



Source: UN Comtrade, Trade Data Monitor (TDM), authors' calculations

Geometric growth rate (%), before vs after 2011				
	Comtrade		TDM	
	Value	Volume	Value	Volume
2000-2011	10.8%	5.0%		
2005-2011	12.0%	5.8%	10.8%	4.0%
2011-2015	-1.0%	2.8%	-0.1%	2.8%
2011-2018	1.5%	3.0%	1.7%	3.0%
2011-2020			1.6%	2.8%

In more detail, prior to the end of 2011, including the periods from 2000–2011 and 2005–2011, growth in the value of agricultural trade reached double digit rates (reflected in both TDM and Comtrade data), while volumes grew at a more moderate pace, reaching 5.8 percent according to Comtrade and 4.0 percent when measured by TDM. Since 2011, however, Comtrade and TDM concord in depicting the near cessation of growth in the value of world agricultural trade, while growth in volumes or demand has held up somewhat more.

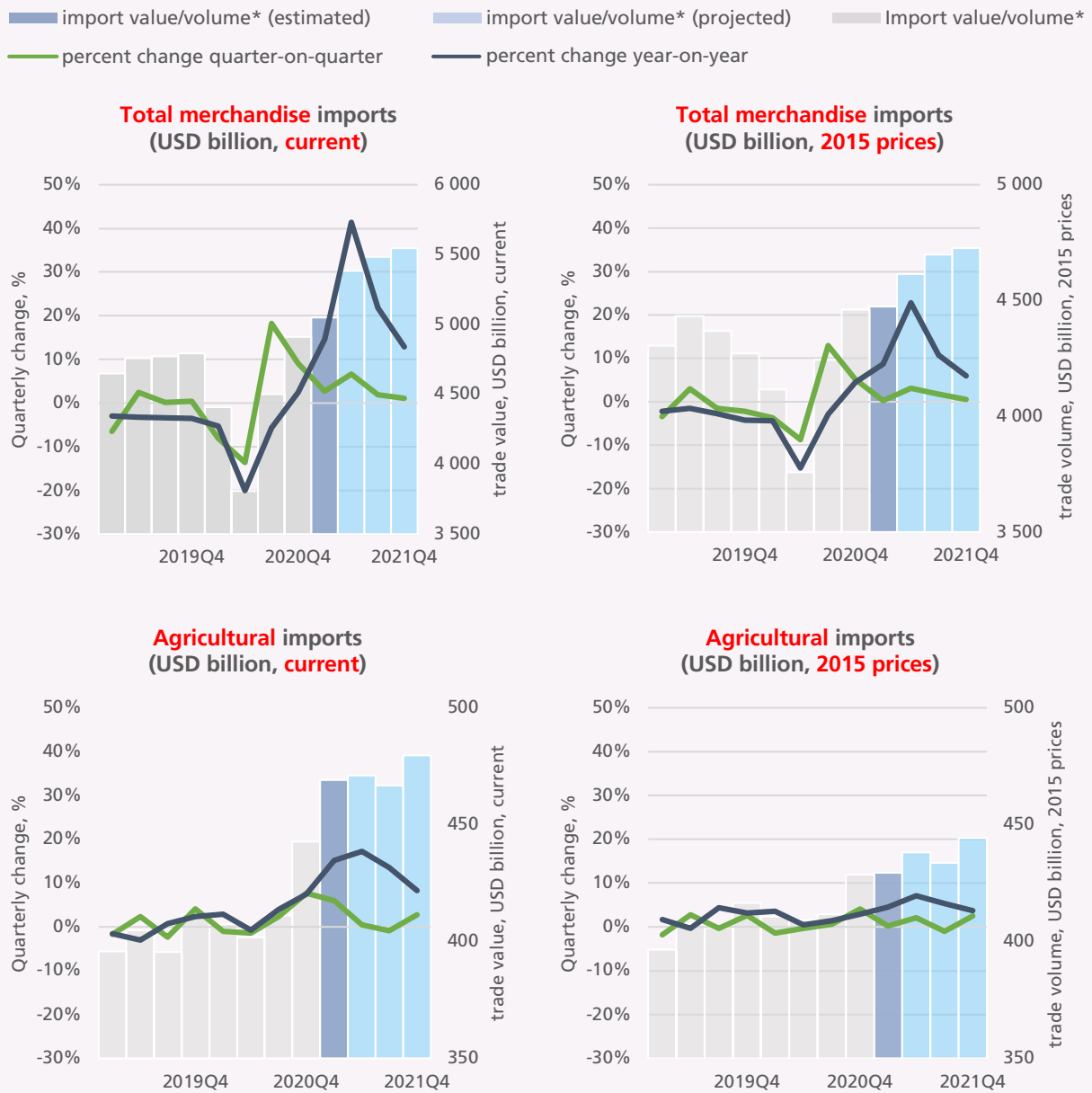
Despite widespread predictions that the pandemic would stymie growth in world trade in agriculture, the reality is that trade activity had already slowed considerably in the past decade or so and is now on a flatter annual trajectory. In other words, contrary to earlier predictions by many, the upshot is that COVID-19 shocks to trade have not resulted in any noticeable change to this trajectory.

individual countries in the global context. By contrast, the assessment of percentage (relative) changes illustrates the degree of recovery/resilience from the perspective of an individual country.

Dissecting the global changes observed for TMT on an annual basis (2020 vs 2019) – see Figure 3 – indicates that many countries have undergone considerable absolute contractions in trade. The densely populated lower left quadrant suggests that merchandise imports and exports have contracted for the majority of countries. The countries that saw the largest contraction in TMT, measured in absolute values, include the United States of America, followed by France, Germany, India and United Kingdom of

Great Britain and Northern Ireland. Given their importance in global trade, as well as the fact that these countries were profoundly affected by COVID-19, such contractions are not surprising and, at the same time, explain a good part of the global merchandise trade contraction. Very few countries saw either their exports or imports expand, while fewer experienced a rise in both. Those countries that did manage to expand trade were small economies depicted in the upper quadrants of Figure 3. The noticeable and near ubiquitous contraction in merchandise trade is fully consistent with, and arguably indicative of, the global economic contraction, notably the GDP contraction in high-income countries.

Figure 2. Evolution of the value and volume of total merchandise imports versus agricultural imports from Q1 2019 to the COVID-19 era



Source: Trade Data Monitor (TDM), authors' calculations

Furthermore, there are two distinct groups of countries that are unlikely to participate in the expansion process, either as far as trade or overall economic activity is concerned. The first group includes those countries with a significant exposure to commodities whose demand failed to recover, notably the exporters of hydrocarbons. The second group includes those with a large exposure to tourism, a substantial hospitality sector, or a large non-cargo surface transport sector, such as a large aviation industry. Some of these countries are exposed to all these channels of transmission affecting demand, most

evidently the Gulf Cooperation Countries. On the basis of such economy structure, countries will unlikely to see a V-shaped recovery path, either for trade or for overall economic activity.

As shown in Figure 5, only a very small number of countries saw noticeable changes in agricultural trade activity in 2020 and most of these changes are explained by very few, but large-scale shifts for individual commodities. What is more, there are reasons to assume that these changes are not even related to the COVID-19 pandemic, or at best are indirectly related to the outbreak.

On the export side, only Canada, Brazil, Indonesia, the Russian Federation and the United States of America saw significant changes in their exports, all of which drew a massive expansion in shipments in 2020. The counterpart to much of this trade is China, the world's largest net importer of agricultural products, which vastly expanded its imports in 2020.

A number of factors may explain the rapid growth of China's agricultural imports during the pandemic. Firstly, China was the first country affected by the COVID-19 outbreak and also among the first that managed to contain it. Secondly, China's agricultural imports were subdued in 2019, reflecting 'non-COVID-19 factors' such as the outbreak of African Swine Fever (ASF) and the trade conflict with the United States of America. Thirdly, many Latin American exporters experienced sharp depreciations of exchange rates at the onset of the COVID-19 crisis, which boosted their competitiveness, and hence appeal to China, *vis-à-vis* North American exporters.⁸

Figure 5 also shows that there is a distinct group of countries that saw their agricultural trade decline after the COVID-19 outbreak. In the lower left quadrant of the scatterplot are those countries where both agricultural imports and exports shrank; interestingly, in many European Union member countries, including Belgium, France and Italy, and also the United Kingdom of Great Britain and Northern Ireland, both agricultural imports and exports contracted in the first half of 2020 (see annex Figures), then in the second half of the year recovered above the pre-crisis level.

While a comparison of the changes in absolute trade positions provides a useful basis for a clearer understanding of global flows, a comparison in percentage terms helps to analyse the shifts from the country perspective. For many individual countries, changes in trade positions are too small to affect global changes and are also swamped when analysing absolute changes. From their national perspective, however, changes can be important and have therefore been shown separately. Figures 4 and 6 capture the changes in percentages terms, again using a comparison between 2020 and 2019.

The takeaway messages that emerge from the above include:

- Large changes in absolute terms may be few and apply only to a very limited number of trading partners and even products (as is the case in agriculture), but the effects for an individual

⁸ While in contrast with recent research presented by Boz et al., practically all countries experiencing currency depreciations saw increasing agricultural exports and contracting imports.

country, i.e. the percentage change relative to 2019, can be substantial.

- Changes in trade of major trading countries (measured in absolute terms) do not necessarily lead to a massive boost or contraction of their agricultural surpluses or deficits in percentage terms; e.g. China, the Russian Federation and Canada saw a noticeable expansion of their imports and exports in both absolute and relative terms.
- The distribution of countries with rising and shrinking agricultural imports and exports is largely unchanged. The overall distribution of imports and exports remained largely unaffected by the COVID-19 shock (as shown in Figure 6).
- Many small countries experienced sharp declines in imports, which may have been caused by ample domestic supplies and/or global logistic constraints. These cases would again warrant a more detailed investigation.

In addition, as these comparisons are annual – 2020 versus 2019 – they cannot fully capture impacts observed during the year. The country comparisons may therefore appear to be in contradiction with, or less significant than, the global developments depicted and discussed earlier. Recalling the rapid global recovery that characterized the second half (H2) of 2020 (see annex figures), there is compelling evidence to suggest that countries did partake in such recovery.

What about at the product level?

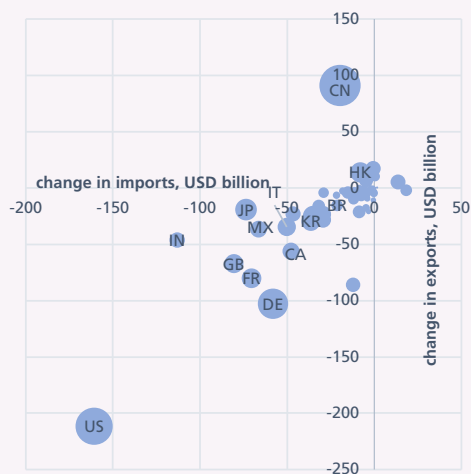
The impacts of COVID-19 also affected the commodity composition of agricultural trade in both the pandemic years of 2020 and 2021.⁹ Tables 1 (exports) and 2 (imports) capture year-on-year changes for major country groups, from which a number of important developments have materialized, and are expected to do so in the future.

Changes in food and agricultural exports in 2020

At the global level, food and agricultural exports continued their trend expansion, rising by almost USD 52 billion (or 3.2 percent) from 2019 to 2020. The sustained increase of agricultural exports by developing countries contributed more than USD 21 billion to the global increase, with the remainder accounted for by developed countries. The steady annual growth, however, masks a notable swing that occurred within 2020, when a considerable contraction of agricultural exports marked the first half of

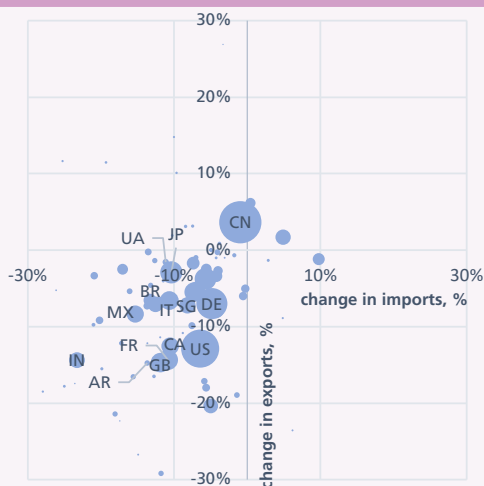
⁹ The focus here is on food imports rather than total agricultural imports, to capture possible food security concerns.

Figure 3. Changes in total merchandise trade 2020 vs 2019, absolute values, bubble size propotional to total merchandise trade



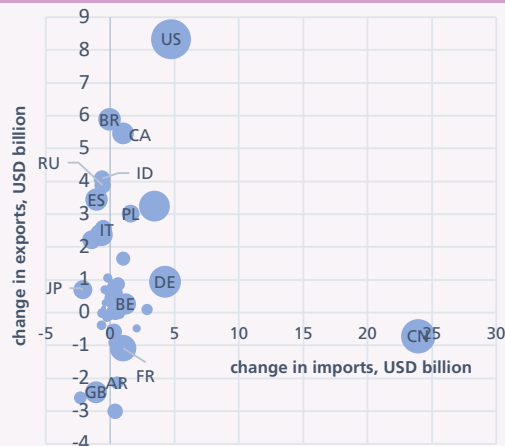
Source: Trade Data Monitor (TDM), authors' calculations

Figure 4. Changes in total merchandise trade 2020 vs 2019, percent, bubble size propotional to total merchandise trade



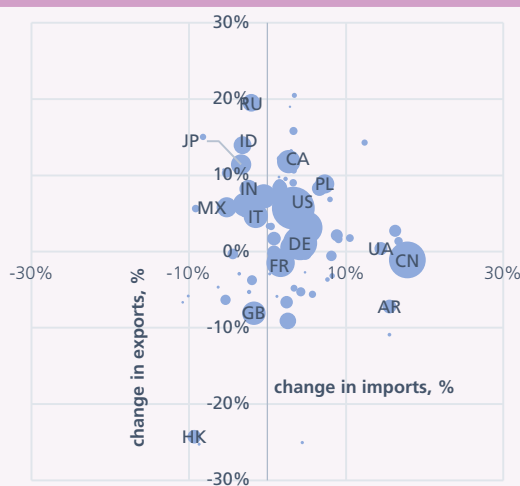
Source: Trade Data Monitor (TDM), authors' calculations

Figure 5. Changes in agricultural trade 2020 vs 2019, absolute values, bubble size propotional to total trade in agriculture



Source: Trade Data Monitor (TDM), authors' calculations

Figure 6. Changes in agricultural trade 2020 vs 2019, percent, bubble size propotional to total trade in agriculture



Source: Trade Data Monitor (TDM), authors' calculations

2020, but was followed by an even swifter recovery in the second half of the year.

Within the developing regions, Latin America saw an outright boom in additional exports of about USD 10 billion. This surge was underpinned by only a few commodities, above all by oilseeds and sugar products, followed by fruits and vegetables. Oilseed trade, mostly soybeans, registered a substantial increase, with exports from Latin America to China soaring, fuelled by a number of different factors largely unrelated to the COVID-19 pandemic. These include the protein meal needed to rebuild China's pig inventory, which was ravaged by the outbreak of ASF. They were augmented by the extra requirements to maintain all other forms of meat

production, notably poultry, eggs and aquaculture, which had grown in parallel to compensate for lower pork supplies.

In addition, China's real exchange rate appreciated in 2020, while those of Latin American exporters generally depreciated, which on balance boosted exports from the region to China. Importantly, this included meat exports from Latin American suppliers to East Asia, which rose by nearly USD 7 billion in 2020, again mainly destined to cover China's domestic deficits. Exports of food and agriculture from many developed countries, by contrast, shrank in the first half of 2020. A particularly notable case concerned shipments from the United States of America, which

were heavily affected by the trade dispute with China.¹⁰ However, as trade tensions between the two subsided in the second half of 2020, trade flows rebounded in tandem.

Changes in food and agricultural imports in 2020

At the global level, demand for fish and beverages declined considerably during the first six months of 2020, compared with the same period of last year, and had not recovered to pre-crisis level by the end of 2020. Alcoholic beverages that tend to command high prices, and are often levied with high import tariffs, were likely prone to import substitution. The same rationale applied to fishery products, which were also subject to high transport costs (namely, refrigeration), as well as delays in customs clearance at port entry due to COVID-19. Likewise in the case of exports, developing countries provided the mainstay in sustaining global inflows of food and agricultural products, countering faltering demand in developed countries. By implication, developing country exports to other developing nations adds credence to the growing importance of South-South trade in supporting global trade. That said, only a few product lines gained prominence in negating a (coincidental) COVID-19 trade contraction. Meat, as well as products in the oilseed complex, was notable in fuelling import demand in developing countries, especially shipments of these products from South America to China. Again, and as previously mentioned, these newfound flows were a result of a diversion of trade away from the United States of America in the first half of 2020, due to the evolving trade relations between the United States and China, and satisfying immediate demand for meat in China in the wake of the ASF outbreak.

Projected changes in food and agricultural trade in 2021

The data (TDM) reported so far in 2021 put the value of global agricultural trade (measured by exports) firmly on an upward trajectory, reaffirming the resilience of this sector to COVID-19 impacts. As shown in Table 1b, the annual increase in world exports from 2020 is projected at USD 137 billion or 8 percent – more than double the percentage increase of 2020 over 2019. The forecast growth in 2021 in percentage terms is distributed uniformly across all product groups, bar static growth in meat and sugar. In absolute terms, non-food (agricultural) items are expected to rise the most, followed by cereals, vegetables and fruits, and edible products in the oilseed complex. These products along with non-food items alone could account for USD 99

billion of the USD 138 billion projected rise in the value of global agricultural exports.

Developed countries are again foreseen to meet the rise in world demand in 2021, but much more so than was the case in 2020. Their share of the global export expansion in 2021 amounts to 57 percent, compared with a 59 percent share in the expansion last year. Notable changes among developing regions concern Latin American exporters, who in 2020 were instrumental in meeting international demand for oilseeds, as well as for sugar. While the upward trend in oilseeds exports continues, 2021 tells a different story for sugar, with exports forecast to fall markedly in value terms, and developed regions expected to assume this mantle.

Developing countries, especially those situated in East Asia, once more constitute the dominant import destinations for food and agricultural products in 2021. While absolute growth in food inflows to East Asia is expected to match the growth observed in 2020, changes in the composition of food imports is projected to change significantly in 2021. Underpinning this development would be the recovery of China's livestock sector from ASF, to the extent that meat imports could amount to a small increase of just USD 4 billion in 2021, compared with a more noticeable surge of USD 15 billion in 2020. Compensating for the slowdown in meat imports are greater expenditures on beverages, fruits and vegetables, and vegetable oils.

More generally, with economic recovery expected to gather considerable pace in 2021, global demand for commodities that tend to be more income-elastic could significantly rebound, especially for beverages and fish. Last year's sharp decline of USD 20 billion in import expenditures registered for both product groups combined could turn into positive territory in 2021, with an increase of USD 21 billion foreseen. However, growth in export revenues and import expenditures must be put in the context of sharply rising prices that have thus far characterized 2021, and as such may not reflect actual increases in demand (measured by import volumes). As evidenced in the next section of this special feature, food import volumes are expected to remain robust in 2021.

¹⁰ By June 2020, US exports of soybeans had fallen to a 16-year low (<https://in.reuters.com/article/us-usa-grains-braun-idUKKBN23C0RB>).

Table 1a. Changes in agricultural exports, 2020 vs 2019

2020 over 2019														
Change in agricultural export revenues, values, USD billion														
Commodity group/ Country group	World	Developed	Developing	UNDP developing regions						Special interest				
				Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	LDCs	LIFDCs	SSA		
Animal and vegetable oils, fats and waxes	↑ 13.1	↑ 3.8	↑ 9.3	↑ 0.2	↑ 5.8	↑ 1.6	↑ 1.2	↑ 0.3	↑ 0.2	↓ -0.3	↑ 0.4	↑ 0.2		
Beverages	↓ -6.2	↓ -4.9	↓ -1.3	↓ 0.0	↓ -1.5	↓ -0.1	↑ 0.4	↓ -0.1	↓ 0.0	↑ 0.1	↓ 0.0	↓ 0.0		
Cereals and cereal preparations	↑ 12.2	↑ 11.9	↑ 0.4	↓ 0.1	↓ -1.0	↑ 0.1	↓ -1.0	↑ 1.4	↑ 0.7	↑ 0.2	↑ 2.4	↑ 0.7		
Coffee, tea, cocoa, spices and products	↑ 2.8	↑ 1.1	↑ 1.7	↑ 0.0	↑ 0.3	↑ 0.1	↑ 1.6	↑ 0.2	↓ -0.5	↓ -0.1	↑ 0.1	↓ -0.5		
Dairy products and birds' eggs	↑ 0.2	↑ 0.5	↓ -0.3	↓ -0.1	↓ -0.1	↓ -0.1	↑ 0.2	↓ -0.2	↑ 0.0	↑ 0.0	↓ -0.1	↑ 0.0		
Meat and meat preparations	↓ -0.8	↓ -0.5	↓ -0.3	↓ 0.0	↓ -0.5	↓ -0.1	↑ 0.6	↓ -0.3	↑ 0.0	↓ 0.0	↓ -0.2	↑ 0.0		
Miscellaneous edible products and preparations	↑ 4.6	↑ 2.8	↑ 1.8	↑ 0.1	↑ 1.2	↑ 0.0	↑ 0.2	↑ 0.1	↑ 0.2	↑ 0.0	↑ 0.3	↑ 0.2		
Oilseeds and oleaginous fruits	↑ 12.7	↑ 11.4	↑ 1.3	↓ 0.1	↓ -0.1	↓ -1.2	↑ 2.5	↑ 0.1	↑ 0.0	↑ 0.0	↑ 0.0	↑ 0.0		
Sugar, sugar preparations and honey	↑ 3.8	↑ 3.4	↑ 3.4	↓ 0.2	↓ -1.3	↑ 0.1	↑ 4.0	↑ 0.7	↓ -0.3	↓ -0.2	↑ 1.0	↓ -0.3		
Vegetables and fruits	↑ 10.0	↑ 3.4	↑ 6.6	↓ 0.0	↑ 0.8	↑ 0.9	↑ 1.6	↑ 0.8	↑ 2.5	↑ 0.9	↑ 2.8	↑ 2.5		
nonFood	↓ -0.7	↑ 0.8	↓ -1.6	↑ 0.1	↓ -0.5	↑ 0.2	↓ -1.4	↓ -0.1	↑ 0.1	↑ 0.1	↓ -0.5	↑ 0.1		
Total	↑ 51.8	↑ 30.8	↑ 21.0	↑ 0.6	↑ 3.1	↑ 1.6	↑ 9.9	↑ 2.9	↑ 2.9	↑ 0.7	↑ 6.2	↑ 2.9		

Change in agricultural export revenues, percent														
Commodity group/ Country group	World	Developed	Developing	UNDP developing regions						Special interest				
				Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	LDCs	LIFDCs	SSA		
Animal and vegetable oils, fats and waxes	↑ 14.9	↑ 11.2	↑ 17.2	↑ 9.8	↑ 17.3	↑ 24.0	↑ 12.8	↑ 21.3	↑ 17.5	↓ -50.3	↑ 14.5	↑ 17.5		
Beverages	↓ -5.3	↓ -5.4	↓ -5.1	↓ 8.3	↓ -17.4	↓ -5.7	↑ 3.4	↓ -13.0	↓ -2.3	↑ 26.5	↓ -5.3	↓ -2.3		
Cereals and cereal preparations	↑ 6.5	↑ 10.1	↑ 0.5	↓ 4.7	↓ -7.1	↑ 0.8	↓ -4.0	↑ 12.7	↑ 52.7	↑ 24.5	↑ 19.2	↑ 52.7		
Coffee, tea, cocoa, spices and products	↑ 2.5	↑ 2.1	↑ 2.9	↑ 1.4	↑ 1.5	↑ 5.0	↑ 9.8	↑ 3.0	↓ -3.4	↓ -2.9	↑ 0.5	↓ -3.4		
Dairy products and birds' eggs	↑ 0.2	↑ 0.6	↓ -2.8	↓ -3.4	↓ -7.6	↓ -2.6	↑ 7.1	↓ -21.5	↑ 13.3	↑ 39.2	↓ -15.1	↑ 13.3		
Meat and meat preparations	↓ -0.5	↓ -0.5	↓ -0.7	↓ -6.8	↓ -6.7	↓ -2.6	↑ 2.1	↓ -7.2	↑ 1.4	↓ -7.8	↓ -4.7	↑ 1.4		
Miscellaneous edible products and preparations	↑ 4.6	↑ 3.9	↑ 6.4	↑ 6.2	↑ 6.2	↑ 3.0	↑ 4.1	↑ 15.8	↑ 19.1	↑ 5.9	↑ 16.5	↑ 19.1		
Oilseeds and oleaginous fruits	↑ 14.8	↑ 30.1	↑ 2.7	↓ 6.8	↓ -7.4	↓ -22.3	↑ 6.7	↑ 4.5	↑ 2.4	↑ 2.4	↑ 0.1	↑ 2.4		
Sugar, sugar preparations and honey	↑ 8.2	↑ 2.0	↑ 12.8	↑ 13.3	↓ -17.5	↑ 9.3	↑ 34.2	↑ 22.4	↓ -16.4	↓ -29.9	↑ 27.9	↓ -16.4		
Vegetables and fruits	↑ 3.6	↑ 2.4	↑ 4.8	↓ -0.5	↑ 1.8	↑ 6.9	↑ 3.2	↑ 9.1	↑ 22.0	↑ 18.3	↑ 16.3	↑ 22.0		
nonFood	↓ -0.3	↑ 0.4	↓ -1.6	↓ 2.4	↓ -1.7	↓ 2.1	↓ -3.6	↓ -1.2	↑ 1.2	↑ 0.7	↓ -3.1	↑ 1.2		

Table 1b. Changes in agricultural exports, 2021 vs 2020

2021 over 2020														
Change in agricultural export revenues, values, USD billion														
Commodity group/ Country group	World	Developed	Developing	UNDP developing regions						Special interest				
				Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	LDCs	LIFDCs	SSA		
Animal and vegetable oils, fats and waxes	↑ 17.7	↑ 7.8	↑ 10.0	↑ 0.1	↑ 4.5	↑ 1.3	↑ 2.3	↑ 0.8	↑ 0.9	↑ 0.2	↑ 1.1	↑ 0.9		
Beverages	↑ 9.8	↑ 6.7	↑ 3.0	↑ 0.0	↑ 1.0	↑ 0.5	↑ 1.2	↑ 0.1	↑ 0.3	↑ 0.1	↑ 0.8	↑ 0.3		
Cereals and cereal preparations	↑ 22.7	↑ 20.9	↑ 1.8	↑ 0.4	↑ 0.0	↑ 0.8	↓ -1.2	↑ 1.6	↑ 0.1	↑ 0.2	↑ 3.2	↑ 0.1		
Coffee, tea, cocoa, spices and products	↑ 7.7	↑ 3.1	↓ 4.5	↑ 0.0	↑ 1.3	↑ 0.2	↑ 1.6	↑ 0.2	↑ 1.3	↑ 0.3	↑ 1.9	↑ 1.3		
Dairy products and birds' eggs	↑ 5.9	↑ 5.2	↓ 0.7	↑ 0.0	↑ 0.1	↑ 0.3	↓ 0.0	↑ 0.1	↑ 0.1	↑ 0.1	↑ 0.6	↑ 0.1		
Meat and meat preparations	↑ 6.1	↑ 4.6	↓ 1.4	↑ 0.0	↑ 0.4	↑ 0.1	↑ 1.5	↓ -0.7	↑ 0.1	↑ 0.0	↑ 0.3	↑ 0.1		
Miscellaneous edible products and preparations	↑ 7.2	↑ 4.4	↓ 2.8	↑ 0.0	↑ 2.0	↑ 0.2	↑ 0.2	↑ 0.3	↑ 0.0	↑ 0.1	↑ 0.1	↑ 0.0		
Oilseeds and oleaginous fruits	↑ 10.8	↓ -0.9	↑ 11.7	↓ 0.2	↓ 0.0	↓ -0.2	↑ 10.6	↑ 0.4	↑ 0.7	↑ 0.9	↑ 0.3	↑ 0.7		
Sugar, sugar preparations and honey	↑ 1.4	↓ 1.5	↓ -0.2	↑ 0.1	↓ -0.3	↓ 0.3	↓ -0.2	↑ 0.1	↓ -0.1	↑ 0.0	↑ 3.4	↓ -0.1		
Vegetables and fruits	↑ 11.6	↑ 3.8	↓ 7.8	↓ -0.2	↑ 2.2	↑ 0.9	↑ 2.5	↑ 1.8	↑ 0.7	↑ 0.4	↑ 2.1	↑ 0.7		
nonFood	↑ 36.4	↑ 20.8	↓ 15.6	↓ -0.2	↑ 4.1	↑ 0.7	↑ 6.2	↑ 1.8	↑ 3.1	↑ 1.0	↑ 10.2	↑ 3.1		
Total	↑ 137.1	↑ 78.0	↑ 59.1	↑ 0.2	↑ 15.4	↑ 5.1	↑ 24.6	↑ 6.5	↑ 7.2	↑ 3.3	↑ 23.9	↑ 7.2		

Change in agricultural export revenues, percent														
Commodity group/ Country group	World	Developed	Developing	UNDP developing regions						Special interest				
				Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	LDCs	LIFDCs	SSA		
Animal and vegetable oils, fats and waxes	↑ 17.6	↑ 20.9	↑ 15.7	↑ 6.2	↑ 11.4	↑ 16.1	↑ 21.5	↑ 49.1	↑ 57.9	↑ 75.8	↑ 31.2	↑ 57.9		
Beverages	↑ 8.8	↑ 7.7	↑ 12.6	↑ 3.0	↑ 13.8	↑ 22.9	↑ 9.4	↑ 20.2	↑ 21.3	↑ 25.2	↑ 99.6	↑ 21.3		
Cereals and cereal preparations	↑ 11.3	↑ 16.1	↑ 2.5	↑ 17.0	↑ 0.4	↑ 4.6	↓ -5.4	↑ 13.0	↑ 6.3	↑ 19.7	↑ 21.3	↑ 6.3		
Coffee, tea, cocoa, spices and products	↑ 6.6	↑ 5.6	↓ 7.6	↓ -2.8	↑ 7.7	↑ 10.8	↑ 8.5	↑ 2.6	↑ 9.3	↑ 8.9	↑ 8.4	↑ 9.3		
Dairy products and birds' eggs	↑ 6.2	↑ 6.2	↓ 6.1	↓ -0.7	↑ 8.0	↑ 8.9	↓ -0.7	↑ 14.7	↑ 33.8	↑ 52.1	↑ 79.8	↑ 33.8		
Meat and meat preparations	↑ 3.9	↑ 4.0	↓ 3.4	↓ -4.0	↑ 5.9	↑ 5.5	↓ 5.4	↓ -18.9	↑ 9.3	↑ 21.3	↑ 6.2	↑ 9.3		
Miscellaneous edible products and preparations	↑ 6.9	↑ 5.9	↓ 9.3	↓ -1.1	↑ 10.0	↑ 12.8	↑ 4.7	↑ 28.0	↑ 3.4	↑ 24.2	↑ 8.0	↑ 3.4		
Oilseeds and oleaginous fruits	↑ 10.9	↓ -1.7	↑ 23.5	↑ 18.4	↓ -0.2	↓ -4.2	↑ 26.7	↑ 22.8	↑ 43.2	↑ 45.3	↑ 8.2	↑ 43.2		
Sugar, sugar preparations and honey	↑ 2.7	↓ 7.5	↓ -0.5	↑ 3.9	↓ -5.0	↑ 16.4	↓ -1.0	↓ 1.6	↓ -5.6	↓ -0.3	↑ 70.5	↓ -5.6		
Vegetables and fruits	↑ 4.0	↑ 2.6	↓ 5.4	↓ -2.5	↑ 4.6	↑ 6.5	↑ 4.9	↑ 19.5	↑ 4.7	↑ 7.1	↑ 10.6	↑ 4.7		
nonFood	↑ 12.5	↑ 10.7	↓ 15.9	↓ -6.4	↑ 14.4	↑ 6.7	↑ 16.5	↑ 20.6	↑ 31.1	↑ 11.9	↑ 62.3	↑ 31.1		

Table 2a. Changes in food import expenditures, 2020 vs 2019

2020 over 2019													
Changes in food import expenditures, values, USD billion													
Commodity group/ Country group	World	Developed	Developing	UNDP developing regions						Special interest			
				Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	LDCs	LIFDCs	SSA	
Animal and vegetable oils, fats and waxes	↑ 12.5	↑ 4.6	↑ 7.9	↑ 0.5	↑ 3.1	↑ 0.6	↑ 0.9	↑ 1.4	↑ 1.5	↑ 2.5	↑ 2.1	↑ 1.5	
Beverages	↓ -6.7	↓ -2.7	↓ -4.1	↑ 0.2	↓ -2.3	↓ -0.1	↓ -0.9	↓ -0.3	↓ -0.7	↓ -0.4	↓ -0.9	↓ -0.7	
Cereals and cereal preparations	↑ 13.7	↑ 2.6	↑ 11.2	↑ 4.6	↑ 5.9	↓ -0.4	↑ 0.3	↑ 1.0	↓ -0.2	↑ 1.0	↓ -0.5	↓ -0.2	
Coffee, tea, cocoa, spices and products	↑ 3.1	↑ 2.1	↑ 0.9	↑ 0.3	↑ 0.2	↑ 0.3	↓ -0.1	↑ 0.3	↑ 0.0	↓ -0.1	↑ 0.1	↑ 0.0	
Dairy products and birds' eggs	↑ 0.2	↓ -0.7	↑ 0.9	↑ 1.1	↑ 0.9	↑ 0.2	↑ 0.0	↓ -1.3	↓ -0.1	↑ 0.3	↓ 0.0	↓ -0.1	
Fish, crustaceans, molluscs and products	↓ -13.6	↓ -6.8	↓ -6.8	↓ -0.4	↓ -5.8	↓ 0.0	↓ -0.6	↑ 0.0	↑ 0.0	↑ 0.6	↑ 0.3	↑ 0.0	
Meat and meat preparations	↑ 6.9	↓ -4.8	↑ 11.7	↓ -0.9	↑ 14.9	↓ -0.1	↓ -1.1	↓ -0.7	↓ -0.4	↑ 0.2	↑ 0.1	↓ -0.4	
Miscellaneous edible products and preparations	↑ 5.1	↑ 2.5	↑ 2.6	↑ 0.6	↑ 1.7	↑ 0.2	↑ 0.1	↑ 0.0	↑ 0.1	↑ 0.4	↑ 0.0	↑ 0.1	
Oilseeds and oleaginous fruits	↑ 11.2	↑ 3.2	↑ 8.0	↑ 0.5	↑ 5.5	↑ 0.4	↑ 1.1	↑ 0.6	↑ 0.0	↓ -0.2	↑ 1.6	↑ 0.0	
Sugar, sugar preparations and honey	↑ 4.0	↑ 0.5	↑ 3.5	↑ 0.4	↑ 2.2	↑ 0.1	↓ -0.2	↑ 1.1	↓ -0.2	↑ 1.0	↑ 0.8	↓ -0.2	
Vegetables and fruits	↑ 10.7	↑ 7.3	↑ 3.4	↑ 1.2	↑ 1.4	↑ 0.1	↑ 0.3	↑ 0.5	↓ -0.1	↑ 0.0	↑ 0.1	↓ -0.1	
Total	↑ 47.2	↑ 7.8	↑ 39.4	↑ 7.9	↑ 27.8	↓ 1.3	↑ -0.2	↑ 2.6	↑ 0.0	↑ 5.2	↑ 3.8	↑ 0.0	

Changes in food import expenditures, percent													
Commodity group/ Country group	World	Developed	Developing	UNDP developing regions						Special interest			
				Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	LDCs	LIFDCs	SSA	
Animal and vegetable oils, fats and waxes	↑ 13.9	↑ 10.8	↑ 16.6	↑ 10.1	↑ 19.9	↑ 24.2	↑ 17.3	↑ 9.5	↑ 30.4	↑ 43.3	↑ 12.1	↑ 30.4	
Beverages	↓ -5.5	↓ -2.8	↓ -14.2	↑ 8.1	↓ -15.1	↓ -2.6	↓ -16.8	↓ -37.1	↓ -25.0	↓ -22.3	↓ -18.8	↓ -25.0	
Cereals and cereal preparations	↑ 7.0	↑ 2.9	↑ 10.5	↑ 14.9	↑ 24.3	↓ -4.1	↑ 1.3	↑ 11.2	↓ -1.7	↑ 8.0	↓ -3.5	↓ -1.7	
Coffee, tea, cocoa, spices and products	↑ 2.8	↑ 2.6	↑ 3.3	↑ 3.9	↑ 1.9	↑ 6.3	↓ -2.9	↑ 10.7	↑ 0.4	↓ -5.6	↑ 2.6	↑ 0.4	
Dairy products and birds' eggs	↑ 0.2	↓ -1.2	↑ 2.5	↑ 11.1	↑ 6.9	↑ 12.1	↑ 0.4	↓ -39.4	↓ -3.0	↑ 13.0	↓ 0.0	↓ -3.0	
Fish, crustaceans, molluscs and products	↓ -7.8	↓ -5.6	↓ -12.8	↓ -9.4	↓ -15.4	↓ -0.3	↓ -11.4	↑ 3.4	↓ -0.2	↑ 79.7	↑ 3.8	↓ -0.2	
Meat and meat preparations	↑ 4.2	↓ -4.5	↑ 20.4	↓ -8.3	↑ 49.7	↓ -5.3	↓ -11.3	↓ -56.7	↓ -13.3	↑ 12.5	↑ 0.8	↓ -13.3	
Miscellaneous edible products and preparations	↑ 5.3	↑ 4.3	↑ 6.7	↑ 11.5	↑ 9.4	↑ 5.0	↑ 1.2	↓ -3.6	↑ 2.0	↑ 11.9	↑ 0.3	↑ 2.0	
Oilseeds and oleaginous fruits	↑ 11.6	↑ 10.6	↑ 12.0	↑ 9.4	↑ 12.2	↑ 10.4	↑ 13.2	↑ 13.0	↑ 10.2	↓ -9.3	↑ 28.2	↑ 10.2	
Sugar, sugar preparations and honey	↑ 8.8	↑ 2.1	↑ 17.0	↑ 7.7	↑ 32.8	↑ 8.7	↓ -5.6	↑ 73.2	↓ -5.1	↑ 31.4	↑ 24.1	↓ -5.1	
Vegetables and fruits	↑ 3.7	↑ 3.5	↑ 4.3	↑ 7.3	↑ 3.9	↑ 2.0	↑ 3.7	↓ 5.4	↓ -2.9	↓ -0.2	↑ 1.0	↓ -2.9	

Table 2b. Changes in food import expenditures, 2021 vs 2020

2021 over 2020													
Changes in food import expenditures, values, USD billion													
Commodity group/ Country group	World	Developed	Developing	UNDP developing regions						Special interest			
				Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	LDCs	LIFDCs	SSA	
Animal and vegetable oils, fats and waxes	↑ 33.1	↑ 4.7	↑ 28.4	↑ 1.4	↑ 5.9	↑ 0.8	↑ 0.9	↑ 18.9	↑ 0.6	↑ 0.0	↑ 5.3	↑ 0.6	
Beverages	↑ 9.1	↑ 4.8	↑ 4.3	↑ 0.0	↑ 2.1	↑ 0.2	↑ 1.5	↑ 0.1	↑ 0.3	↑ 0.4	↑ 0.9	↑ 0.3	
Cereals and cereal preparations	↑ 37.6	↑ 7.9	↑ 29.6	↑ 12.0	↑ 9.6	↑ 1.3	↑ 4.8	↑ 0.1	↑ 1.8	↑ 1.8	↑ 1.9	↑ 1.8	
Coffee, tea, cocoa, spices and products	↑ 9.8	↑ 5.8	↑ 4.0	↑ 0.4	↑ 2.0	↑ 0.3	↑ 0.3	↑ 0.9	↑ 0.1	↑ 0.2	↑ 1.8	↑ 0.1	
Dairy products and birds' eggs	↑ 9.1	↑ 3.7	↑ 5.4	↑ 0.8	↑ 3.6	↑ 0.1	↑ 0.4	↑ 0.2	↑ 0.2	↑ 0.2	↑ 0.8	↑ 0.2	
Fish, crustaceans, molluscs and products	↑ 11.8	↑ 9.9	↑ 2.0	↓ 0.4	↓ -0.1	↑ 0.4	↑ 0.9	↓ -0.1	↑ 0.5	↑ 0.0	↑ 1.3	↑ 0.5	
Meat and meat preparations	↑ 7.3	↑ 0.9	↑ 6.4	↑ 0.6	↑ 3.7	↑ 0.1	↑ 1.9	↓ -0.2	↑ 0.2	↑ 0.1	↓ -0.2	↑ 0.2	
Miscellaneous edible products and preparations	↑ 9.0	↑ 5.4	↑ 3.6	↑ 0.8	↑ 1.5	↑ 0.4	↑ 0.5	↑ 0.2	↑ 0.3	↑ 0.1	↑ 0.5	↑ 0.3	
Oilseeds and oleaginous fruits	↑ 31.5	↑ 2.7	↑ 28.8	↑ 10.2	↑ 7.4	↑ 0.2	↑ 9.8	↑ 1.2	↑ 0.1	↓ -0.4	↓ -0.7	↑ 0.1	
Sugar, sugar preparations and honey	↑ 2.6	↑ 1.2	↑ 1.3	↑ 0.8	↑ 0.7	↑ 0.0	↑ 0.1	↓ -0.4	↑ 0.2	↓ -0.6	↑ 0.7	↑ 0.2	
Vegetables and fruits	↑ 24.2	↑ 11.3	↑ 12.8	↑ 4.0	↑ 5.2	↑ 0.4	↑ 0.8	↑ 2.2	↑ 0.2	↑ 0.0	↑ 5.9	↑ 0.2	
Total	↑ 184.9	↑ 58.2	↑ 126.7	↑ 31.6	↑ 41.6	↑ 4.2	↑ 21.9	↑ 22.9	↑ 4.5	↑ 1.8	↑ 18.3	↑ 4.5	

Changes in food import expenditures, percent													
Commodity group/ Country group	World	Developed	Developing	UNDP developing regions						Special interest			
				Arab States	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	South Asia	Sub-Saharan Africa	LDCs	LIFDCs	SSA	
Animal and vegetable oils, fats and waxes	↑ 32.3	↑ 9.9	↑ 51.1	↑ 25.6	↑ 31.9	↑ 27.5	↑ 14.8	↑ 114.7	↑ 9.2	↑ 0.0	↑ 26.8	↑ 9.2	
Beverages	↑ 7.9	↑ 5.3	↑ 17.5	↑ 2.0	↑ 16.3	↑ 8.0	↑ 34.9	↑ 15.2	↑ 15.6	↑ 25.6	↑ 22.6	↑ 15.6	
Cereals and cereal preparations	↑ 17.9	↑ 8.6	↑ 25.2	↑ 34.1	↑ 31.6	↑ 15.2	↑ 22.4	↑ 0.8	↑ 14.8	↑ 13.1	↑ 13.6	↑ 14.8	
Coffee, tea, cocoa, spices and products	↑ 8.6	↑ 6.9	↑ 13.7	↑ 5.8	↑ 20.5	↑ 7.9	↑ 9.4	↑ 26.6	↑ 5.5	↑ 9.5	↑ 44.4	↑ 5.5	
Dairy products and birds' eggs	↑ 9.2	↑ 6.0	↑ 14.6	↑ 7.6	↑ 25.2	↑ 5.1	↑ 7.7	↑ 9.9	↑ 10.6	↑ 6.2	↑ 18.5	↑ 10.6	
Fish, crustaceans, molluscs and products	↑ 7.3	↑ 8.5	↑ 4.3	↓ 9.9	↓ -0.3	↑ 17.4	↓ 20.0	↓ -24.3	↑ 18.2	↑ 3.9	↑ 14.7	↑ 18.2	
Meat and meat preparations	↑ 4.3	↑ 0.8	↑ 9.3	↑ 6.5	↑ 8.3	↑ 4.3	↓ 22.0	↓ -39.0	↑ 8.9	↑ 3.5	↓ -1.8	↑ 8.9	
Miscellaneous edible products and preparations	↑ 8.7	↑ 8.8	↑ 8.5	↑ 12.8	↑ 7.1	↑ 13.2	↑ 6.3	↑ 16.9	↑ 6.9	↑ 3.5	↑ 9.0	↑ 6.9	
Oilseeds and oleaginous fruits	↑ 29.1	↑ 7.9	↑ 38.6	↑ 178.5	↑ 14.8	↑ 3.9	↑ 107.9	↑ 22.7	↑ 25.5	↓ -23.8	↓ -8.9	↑ 25.5	
Sugar, sugar preparations and honey	↑ 5.1	↑ 4.9	↑ 5.4	↑ 15.5	↑ 7.5	↓ -2.7	↑ 2.4	↓ -14.6	↑ 5.2	↓ -15.7	↑ 15.5	↑ 5.2	
Vegetables and fruits	↑ 8.1	↑ 5.3	↑ 15.5	↑ 23.2	↑ 13.9	↑ 5.5	↑ 8.6	↑ 24.1	↑ 7.6	↑ 0.7	↑ 50.1	↑ 7.6	

Source: Trade Data Monitor (TDM), authors' calculations

Shifting agricultural trade shares and relative prices: a typical manifestation of a global economic crisis

Rising food imports in total merchandise imports – an early warning indicator for a crisis

As food importing countries saw their export revenues dwindle in 2020, their import structure also changed. Lower foreign exchange availability in conjunction with lower overall economic activity resulted in a shift in imports away from income-elastic goods to sustain inflows of income-inelastic goods, notably food and agricultural products. Countries with rapidly deteriorating terms-of-trade were hardest hit; above all, the food import-dependent and oil and gas exporters of North Africa, such as Algeria, saw their agricultural imports rise rapidly relative to total merchandise imports. The share of agricultural imports in total imports not only rose sharply for individual countries, but these shifts were also strong enough to leave a mark at global level.

As shown in Figure 7, over the long run, the global share of agriculture in total trade exhibits a secular decline.¹¹ The ratio of agricultural to non-agricultural trade

¹¹ The secular decline in the share of agricultural products is fully consistent with the longer-term deterioration in the terms-of-trade (TOT) for agriculture. As global incomes rose, demand for income-inelastic agricultural products increased less rapidly than demand for income-elastic manufactured goods, resulting in (i) declining TOT for agricultural exporters, and (ii) a declining share

fell steadily from more than 33 percent in the early 1960s to 6.5 percent in 2007, its lowest level on record. Since 2007, the share edged up again to reach 8.5 percent in 2017, and further accelerated to reach almost 11 percent in the first half of 2020 (see Figure 8a). The longer view suggests that the share of agriculture in total trade has effectively doubled since 2007. While it may be premature to proclaim that this secular decline has come to a halt, or even reversed, the fact that the share is foreseen to rise strongly in 2021 does provide strong support.

Over and above the context of the current public health crisis, rapid increases in the share of food and agricultural imports in total merchandise imports (notwithstanding domestic production shortfalls) can serve as an early indicator or barometer for overall economic problems. In the event of a contraction in overall economic activity, imports of income-elastic goods tend to contract first and most significantly, whereas demand for income-inelastic goods, such as food and agricultural products, tend to remain relatively unaffected.

The same holds for individual countries. In Lebanon (see Figure 8b), for instance, that share rose prior to the COVID-19 pandemic, reflecting the country's financial

of agricultural products in total trade. It could be seen as a special case of the Prebisch-Singer hypothesis, in which the analysis is limited to agricultural commodities rather than primary products more generally.

Figure 7. World agricultural imports as a share of total merchandise imports

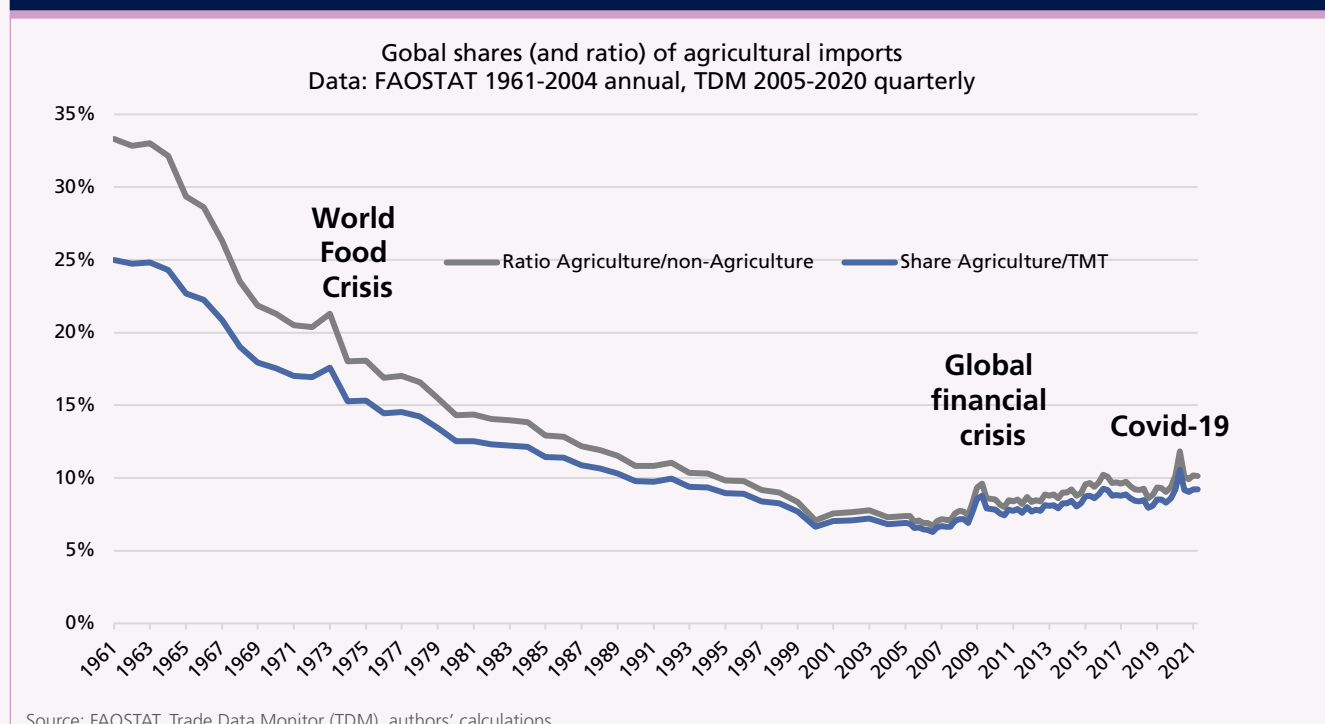
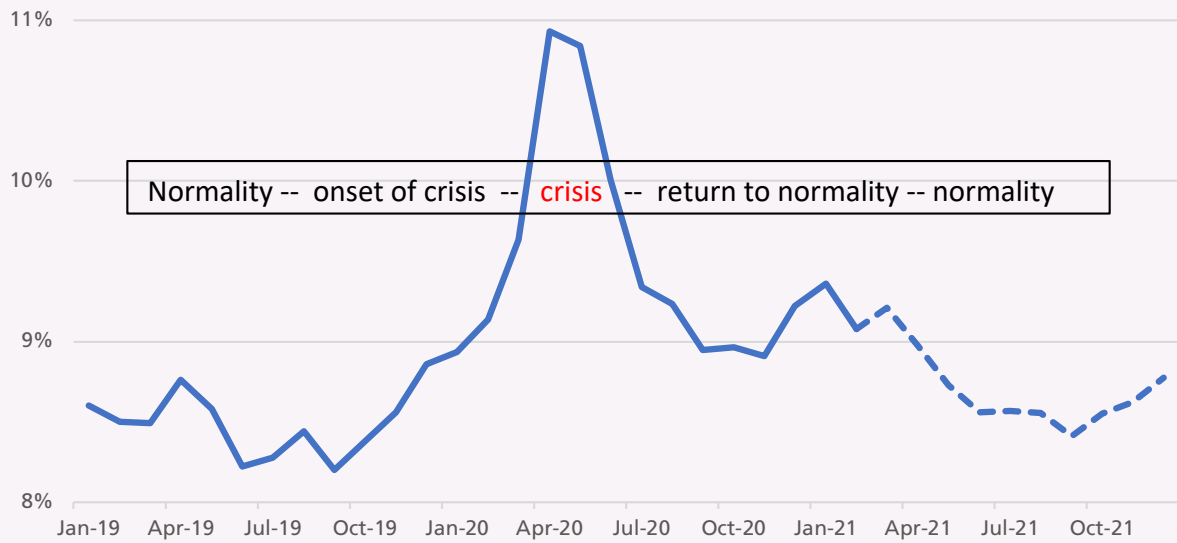
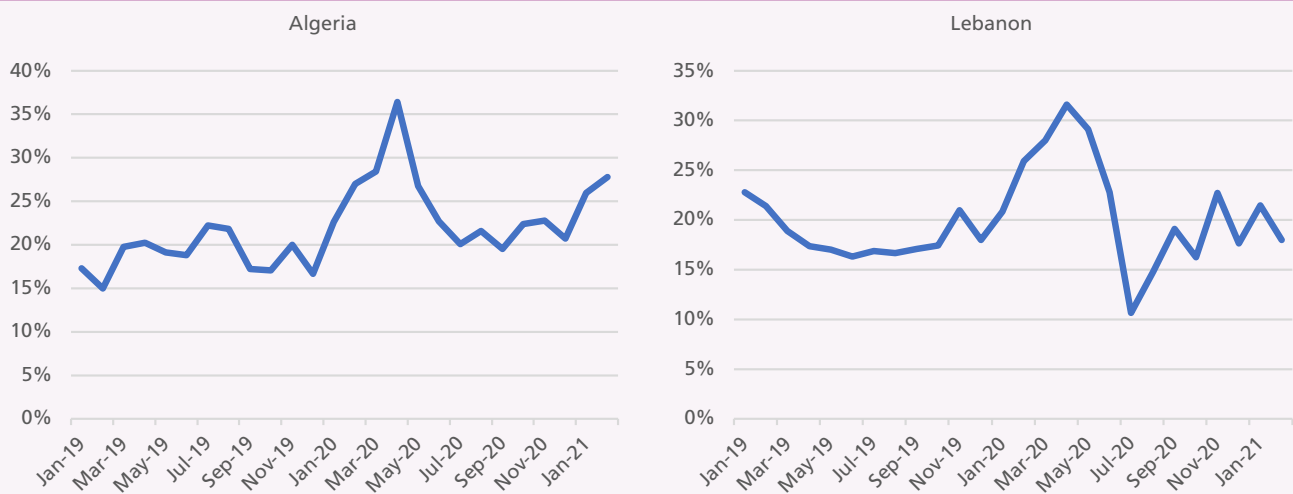


Figure 8a. World agricultural imports as a share of world total merchandise imports during COVID-19



Source: Trade Data Monitor (TDM), authors' calculations

Figure 8b. National agricultural imports as a share of world total merchandise imports prior to and during COVID-19



Source: Trade Data Monitor (TDM), authors' calculations

crisis (hyperinflation and capital flight) in late 2019 and early 2020. This was exacerbated by COVID-19, before the country moved back to its pre-crisis level by late-2020. Algeria, in common with many other food import-dependent countries, went through a similar process. Its food import share, however, rose again as of late 2020/early 2021, reflecting sharply higher prices for the food items that it imports.

Agricultural exporters often benefit from global economic crises

Rising relative prices of agricultural to non-agricultural goods

The combination of rebounding prices for agricultural products and lower prices at, or even before the beginning of the crisis for manufactured goods, resulted in substantially higher relative prices for agricultural products. This upturn in relative prices appears not only substantial, but also abrupt compared with its smooth prior evolution, such that the shift translated into an outright spike in

agricultural prices relative to prices of manufactured goods (see Figure 9). Indeed, from January 2020 to the same month in 2021, the overall change in agricultural prices relative to manufactured goods reached nearly 10 percent, one of the sharpest increases in the past 15 years.

Rising relative prices of agricultural to non-agricultural primary commodities

The most pronounced shift in relative prices appeared within the primary sector. Immediately apparent

from Figure 10 is the fact that the rebound in relative prices for agricultural products was even more pronounced, culminating in May 2020. Given the higher interdependence of the primary sectors, notably the high energy dependence of agriculture, with both forward linkages (biofuels) and backward linkages (fertilizer, fuels, lubricants), the resulting upswing is telling.

Figure 9. Ratio of prices of agricultural products to non-agricultural products



Source: Trade Data Monitor (TDM), authors' calculations

Figure 10. Ratio of prices of agricultural products to non-agricultural primary commodities



Source: Trade Data Monitor (TDM), authors' calculations

Annex figures

Figure A1. Evolution of the value of total merchandise imports from Q1 2005 to the COVID-19 era

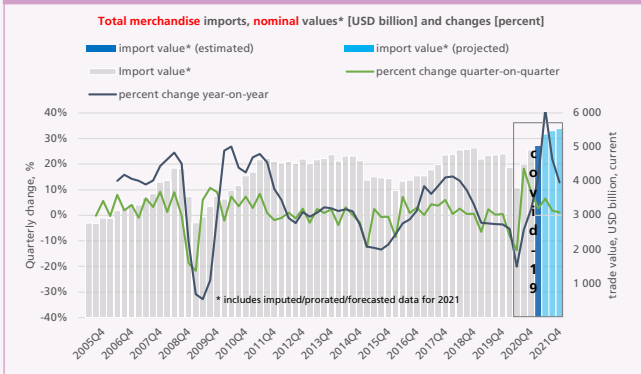


Figure A3. Evolution of the value of world agricultural imports from Q1 2005 to the COVID-19 era

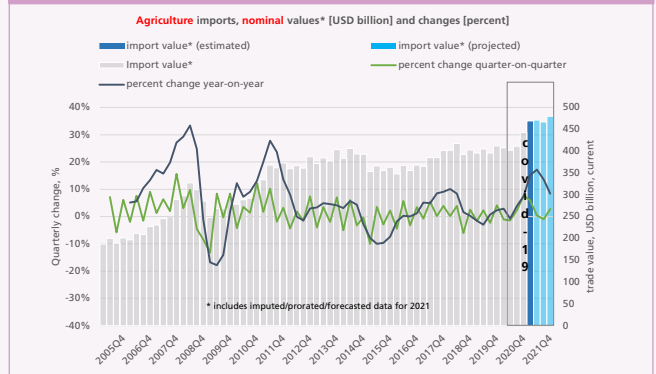


Figure A2. Evolution of the volume of total merchandise imports from Q1 2005 to the COVID-19 era

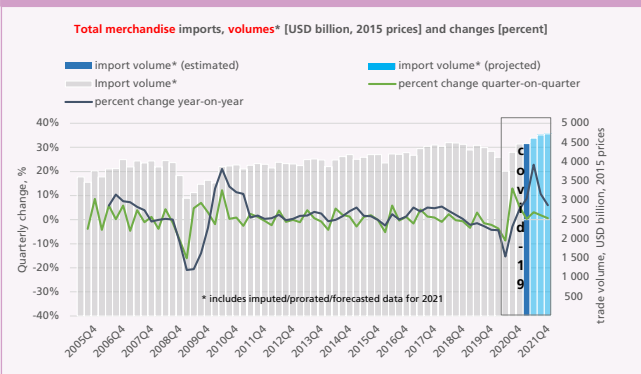


Figure A4. Evolution of the volume of world agricultural imports Q1 Jan 2005 to the COVID-19 era

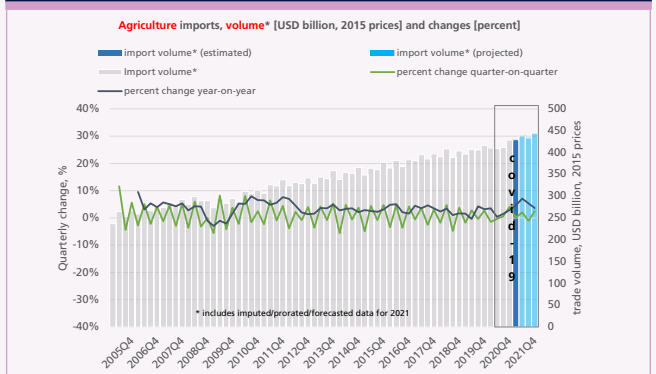
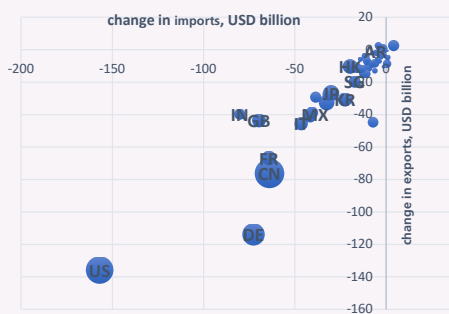


Figure A5-A6. Evolution of the value of world agricultural imports from Q1 2005 to the COVID-19 era

Changes in total merchandise trade H1 2020 vs H1 2019, absolute values, bubble size proportional to total merchandise trade



Changes in agricultural trade H1 2020 vs H1 2019, absolute values, bubble size proportional to total trade in agriculture

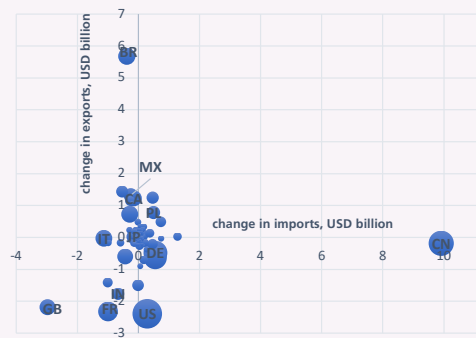


Figure A7-A12. Evolution of the value of world agricultural imports from Q1 2005 to the COVID-19 era

