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**Statement by the Russian Federation on item 8 of the Provisional Agenda
“Implications on world food security and agriculture,
including global food prices, arising from the aggression
of the Russian Federation against Ukraine”**

Russian Federation

Background note

On item 8 on the provisional agenda of the 33rd Session

of the Regional Conference for Europe, "Implications on world food security and agriculture, including global food prices, arising from the aggression of the Russian Federation against Ukraine".

The Russian Federation has studied closely the documents prepared recently by organizations in the UN system, including FAO and the Agricultural Market Information System (AMIS), WFP, UNCTAD, UNDP and the first report of the Global Crisis Response Group, under the leadership of the UN Secretary-General, *Global Impact of war in Ukraine on food, energy and finance systems*, dated 13 April 2022 as well as the Financing for Sustainable Development Report 2022, prepared by the Inter-Agency Task Force on Financing for Development dated 12 April.

General remarks.

Clearly, the events of the last two months have exacerbated the situation on the global food market. However, the situation has been deteriorating since 2018 due to the COVID-19 pandemic, climate change, large-scale natural disasters and the macroeconomic, energy and food policies of Western countries. Specifically, the actions taken by Western countries in the context of combating climate change, the shift to "sustainable diets" and the provision of "open and transparent financial and trade agreements" were in practice designed to cement their supremacy in global markets, including the food market. This is evidenced by a stubborn reluctance to recognize the principle of "common but differentiated responsibilities", and the way that the just demands of developing countries for access to modern technology have been consistently met with objections based on the principle of the "voluntary transfer on mutually agreed terms and the protection of intellectual property". The numbers speak for themselves – in the period 2017-2021, the UN Technology Bank for Least Developed Countries, which was established in connection with the Addis Ababa Action Agenda in order to close the digital divide and ensure the least developed countries' access to technologies, was consistently underfunded by 87%. Yet the innovative and technological development of agriculture and agro-industrial production in the least developed countries, mainly in Africa, was one of the priorities for the Bank's activity for the period to 2022.

Now Western countries are trying to attribute the deteriorating situation on the global food market to the events in Ukraine. They are accusing Russia of collapsing the global food market and causing hunger in developing countries through its actions. According to the fourth report of this year,

FAO Food Price Index of 8 April 2022, food prices have risen by 34% compared to the same period last year. However, as early as April 2021, wheat prices were already breaking records – primarily due to the unfavourable crop yields forecast in Argentina, Brazil and the United States. Moreover, the same Food Price Index report of 8 April this year explicitly states that an accelerator of world wheat prices in March this year was, among other things, concerns about the state of crops in the USA.

The rise in global prices for coarse grains, particularly maize, again as noted in the Food Price Index report, is linked to higher energy and input costs.

The rise in the global Vegetable Oil Price Index is also attributable to higher crude oil prices.

Prices for dairy products are mainly rising due to a reduction in supply on global milk markets: milk production in Western Europe, as the Food Price Index report explicitly states, is insufficient to meet global demand.

On the cheese markets, there has been a decrease in supply, which is due to an increase in domestic demand, again in Western Europe.

The increase in pig meat prices is explained by the shortfall in slaughter pigs in Western Europe and a simultaneous surge in internal demand for meat. The same tendency affected bovine meat prices: the number of cattle being slaughtered is decreasing, while demand is solid or increasing, including in Western European countries. Poultry meat prices are rising due to avian flu outbreaks and reduced supplies from Western European countries.

The rebound in global sugar price quotations in March is explained by the sharp rise in international crude oil prices and the anticipated use of sugarcane in Brazil for ethanol production.

According to UNCTAD's Review of Maritime Transport 2021, maritime freight costs had reached record-breaking levels even before the conflict in Ukraine, pushing up prices and import costs across the board. In addition, global inflation rose by 5.2% during the last quarter of 2021, which compelled central banks in developing countries to raise interest rates prematurely, leading to higher debt-servicing costs. Thus, at the start of 2022, 60% of least developed countries were already at high risk of debt servicing and a debt tsunami.

In other words, by early 2022 the world was on the verge of the "famine of biblical proportions" that WFP Executive Director David Beasley had warned about as early as the end of 2020. In January 2022, FAO and WFP warned that 38 countries (43 million people) were in acute food need, including 20 on the brink of famine.

On the current conflict situation specifically.

The report by the Global Crisis Response Group under the leadership of the UN Secretary-General does not challenge the fact that Russia and Ukraine are among the main "breadbaskets" of the world and that Russia is a key supplier of energy resources, especially natural gas. Along with Belarus,

Russia provides more than a quarter of all mineral fertilizers. In this connection, the course taken by Western countries towards the economic isolation of Russia, leaving it out of the solution to the problem of global food security, appears illogical at best. To put it more bluntly, it seems criminal.

According to a WFP survey for April this year, 30% of all wheat entering Africa comes from Russia and Ukraine. Among the largest consumers are Mauritania (80%), Cameroon and Benin (68%), Senegal (52%) and Togo (45%). More importantly, the list includes Kenya, Ethiopia, Somalia, South Sudan and Sudan, which are explicitly mentioned in the joint FAO-WFP report of 27 January 2022, *Hunger Hotspots FAO-WFP early warnings on acute food insecurity*. The WFP has already detected a rise in the cost of baked goods in these countries. The situation with vegetable oils is similar. A shortage of raw materials from Russia and Ukraine in Egypt will impact the supply of this product to Rwanda and Burundi (where 95% of the supply is sourced from Egyptian exports).

The *Financing for Sustainable Development Report 2022* notes that "the unprecedented sanctions from several countries on the Russian Federation are affecting international trade." It is no secret that people in the countries whose leaders have declared economic war on Russia are also facing increasing difficulties – although to a disproportionately lesser extent, because it is the countries of the West that control the main financial, trade and technological flows.

These same countries, through the mechanism for emissions financing, will try to buy up and take for themselves the flows of food, energy and fertilizers. This is explicitly stated in the European Commission's recently adopted short- and medium-term strategy for actions on food security and support for farmers and consumers in the EU. By doing so, these same Western countries will further drive up global food and raw material prices and exacerbate food shortages in the poorest regions of the world.

Western countries are now trying to convince developing countries that they are paying for the conflict between Russia and Ukraine, when in fact it is the West's economic war against Russia and unilateral restrictive measures, including against developing countries, that they are paying for.

More than 5000 sanctions have been imposed against Russia alone. Although the West claims they do not concern food, in fact the opposite is true.

Since March 2022, the major container lines Maersk, MSC, CGM and Hapag-Lloyd have announced the suspension of Russian shipments for fear of being accused of cooperation with Russia. The operator Unifeeder has suspended its two Baltic services linked to the port of St Petersburg. X-Press Feeders has suspended its BRX service linking St Petersburg with the major container hubs Antwerp and Rotterdam.

The Ministry of Industry and Trade of the Russian Federation notes that individual foreign logistics companies are sabotaging, among other things, shipments of mineral fertilizers crucial for agriculture.

The EU has imposed a ban on the entry of trucks with Russian number plates, and Russian vessels are also banned from entering EU ports. Thus, on 19 April this year, Greek authorities detained the Russian-flagged tanker Pegas carrying food among other things. Insurance companies are denying insurance coverage for Russian cargoes.

The Russian Union of Railway Transport Operators is reporting problems with the passage of freight wagons, which are also being vandalized on EU territory.

We would like to focus separately on humanitarian aid. As of April 19 this year, the FAO humanitarian flash appeal of USD 115 million has been funded to the tune of just USD 8.5 million. A similar plan by WFP, estimated at USD 590 million as of 10 April this year, is 36% funded. At the same time, Western countries announce almost daily that they are providing Ukraine with weapons, including lethal ones. We are already talking about billions of dollars.

By way of comparison, since 2 March this year Russia has delivered over 13 000 tonnes of humanitarian aid to Ukraine, including food, medicines, drinking water and essential items. In total, more than 850 humanitarian actions have been conducted. Another 22 000 tonnes of humanitarian aid are at collection points in Russia awaiting delivery to Ukraine.

Russia has been repeatedly accused of hindering maritime traffic. For the record, as of 19 April this year, 76 foreign vessels from 18 countries remain blocked in Ukrainian ports in internal waters and in the territorial sea. The Kyiv authorities are avoiding negotiations with representatives of the ship-owning States to resolve the issue of ensuring the safe passage of foreign vessels, as well as dialogue on this issue in the forum of the International Maritime Organization. Russia, in contrast, opens a humanitarian corridor on a daily basis in a south-westerly direction from Ukraine's territorial sea, offering a safe exit to foreign and civilian vessels. In addition, our country is taking exhaustive measures to support civilian navigation in the Black, Azov and Mediterranean Seas, including from drifting Ukrainian sea mines.

Russia is accused of deliberately destroying agricultural enterprises in Ukraine, bombing agricultural land and preventing the restoration of agriculture in the controlled territories. On the contrary, it is the Ukrainian Armed Forces (AFU) that do not shy away from such actions. For example, on 18 April this year in Zaporizhzhia Oblast, a Tochka-U missile, in the arsenal of the Ukrainian armed forces, destroyed the homes and farm buildings of a farm in the village of Tokmak.

The countries of the West are cynically condemning Russia for using hunger as a weapon of war. Yet the measures taken against Russia by those same Western states are intended to undercut the well-being and sustainable development of the Russian farming economy, including small-scale farming.

In particular, the National Union of Bread Bakers of Russia has said that the EU restrictions are already affecting equipment for bakeries, including those intended for small and medium-sized

businesses. The EU package of sanctions is restricting the supply of seed and vegetative material, replacement parts for agricultural technology, agro-industrial processing companies and so on. In this way Europe is already using food security as a means of waging economic war against Russia.

During the 169th Session of the FAO Council, the Russian Federation made every effort to come to a justified compromise in the interests of preventing the negative development of the situation on the global food market. We fully supported the recommendations made by FAO – which as a specialized agency has been pursuing food and agricultural security professionally for 70 years. We wish to draw attention to the fact that the overwhelming majority of their recommendations found their way in some form into the recommendations of the first report of the Global Crisis Response Group. And this is a clear signal to Western countries, who have chosen to politicize and blatantly blackmail developing countries, encouraging them to isolate Russia instead of working together to find the path toward a solution.

The misguidedness of this approach is evidenced by the fact that, despite the appeals, the practice of countries imposing restrictions and bans on food exports, and buying up food supplies on the world market is already gaining momentum. Dividing lines – and there is ample evidence of this in world history – have never served the interests of developing countries. We support the call by the UN Secretary-General and leader of the Global Crisis Response Group to make every effort in order to prevent, together, this "perfect storm".