

## Our position

### Addressing food security



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3.4 trillion in 2021, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

## Executive summary

The American Chamber of Commerce to the EU (AmCham EU) continues to condemn Russia's war on Ukraine in the strongest possible terms. We stand with the people of Ukraine and all those facing incredible suffering and violence. The conflict has exacerbated food insecurity in vulnerable countries around the world, especially in Africa and the Middle East. To address the ongoing global food security crisis, governments, civil society organisations and the private sector must collaborate to identify and implement short and long-term measures. Among those is encouraging free trade of agricultural products, which is essential to help mitigate the ongoing and emerging geopolitical impact of food shortages. In addition, the EU's climate and environmental objectives must be met without compromising food security. Finally, creating the right ecosystem to promote innovation and collaboration across the agri-food value chain remains critical to finding sustainable and durable solutions that address the ongoing crisis and prevent future ones.

## Introduction

Food security is the measure of the availability of food and individuals' ability to access it. According to the United Nations' Committee on World Food Security, food security means that all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their food preferences and dietary needs for an active and healthy life.<sup>1</sup>

Parts of the world are currently experiencing a severe multicausal food crisis. The effects of climate change – for example, severe droughts – as well as pervasive low agricultural output throughout the African continent have recently been exacerbated by Russian aggression against Ukraine. This has led to an abrupt reduction in grain exports and a sharp increase in food prices. Many voices at the highest levels of the EU and many Member States have recognised the severity of the situation and have called for urgent measures aimed at increasing food production in Europe, Africa and the Middle East.

Prior to the war, global agricultural markets were already volatile, and many vulnerable countries were facing a food crisis. Today, food security is even further at risk. Ukraine and Russia are two of the world's biggest suppliers of agricultural commodities, especially grains.<sup>2</sup> In addition, extreme weather events have exacerbated the crisis and will continue to have severe consequences into the future. The current situation is disrupting exports and logistics, raising food prices and impacting accessibility and availability of food, especially for vulnerable countries in Africa, the Middle East and Asia. Additionally, the increase in energy and fertilizer prices is putting the next global harvest at risk. According to the Food and Agricultural Organization of the United Nations' latest assessments, the conflict could increase chronic undernourishment by an additional 18.8 million people by 2023, with

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<sup>1</sup> International Food Policy Research Institute, 'Food Security'. October 2022, viewed on 6 October 2022, [www.ifpri.org](http://www.ifpri.org)

<sup>2</sup> OECD, 'The impacts and policy implications of Russia's aggression against Ukraine on agricultural markets'. August 2022, viewed on 29 August 2022, <https://www.oecd.org/ukraine-hub/policy-responses/the-impacts-and-policy-implications-of-russia-s-aggression-against-ukraine-on-agricultural-markets-0030a4cd/>

the most pronounced increases taking place in the Asia-Pacific region, followed by sub-Saharan Africa and then the Middle East and North Africa.<sup>3</sup>

## Increasing food prices and security challenges

While the precise scale of the problem is not yet clear, it is obvious that a severe supply and demand imbalance has led to a sharp increase in food prices in 2022. Combined with the threat of restrictions on exports of cereals and other basic commodities, this jeopardises the food security of many countries, especially those that are economically vulnerable. Even in high-income countries, rising food prices have become drivers of increasing inflation and are affecting food affordability.

Food security is at risk now more than ever; the EU must take immediate action to provide sufficient food for as many people as possible. Both short and mid-term measures can help mitigate this global food security challenge.

## Recommendations:

- **Implement short-term measures to increase agricultural production in the EU.** Recent political decisions taken regarding the Common Agricultural Policy point into the right direction. Policy measures that negatively impact agricultural production aggravate the current food crises and need to be carefully reconsidered by the European Commission.
- **Mark the entire food production chain as essential.** The recently published EU measures around energy savings will be decided at the national level, and governments will have to make choices on energy allocations. The agricultural and food supply chains must be considered essential so that they continue to operate, for the sake of plant, animal and human health.
- **Stimulate free trade for agricultural products.** Export restrictions for agricultural raw materials hinder the necessary free trade policies that contribute to greater food security. Additionally, regulators must also ensure that regulatory frameworks do not create additional uncertainties in global food production and trade flows.
- **Enhance climate and environmental protection without compromising food security.** Climate change, biodiversity protection and food security must be tackled together. Whilst supporting the EU's plans for sustainable food production, as per some initiatives within the European Green Deal and Farm to Fork strategy, there must be flexibility in crisis situations. With its excellent conditions for food production, the EU must realise its full agricultural production potential. The EU should further develop the Green Deal and the Farm to Fork strategy and meet its environmental and climate protection goals without putting food security and affordability at risk.

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<sup>3</sup>UN Press, 'Lack of Grain Exports Driving Global Hunger to Famine Levels, as War in Ukraine Continues, Speakers Warn Security Council'. May 2022, viewed on 29 August 2022, <https://press.un.org/en/2022/sc14894.doc.htm#:~:text=According%20to%20the%20latest%20scenarios,18.8%20million%20people%20by%202023.>

- **Drive innovation for technologies that can increase agricultural production.** AmCham EU members are ready to contribute along the value chain. If the EU's political and regulatory environment allows, our companies can partner with farmers to achieve more sustainable practices and products. EU policymakers should create an environment with predictable and proportionate regulatory systems built on sound science to allow innovative technologies and products to thrive. Research and technological innovation across the entire value chain are the strategic cornerstones to successfully addressing these complex, interrelated challenges.

## Conclusion

Russia's war on Ukraine has exacerbated existing geopolitical issues that negatively impact food security and affordability. To swiftly create the right policy framework to protect citizens around the world, the EU should consider its climate and environmental objectives, ensure free trade in agricultural raw goods and promote innovation to catalyse the transition toward more sustainable and resilient food systems. With partnership and collaboration, governments, international organisations, civil society and all levels of the agri-food supply chain can play their part in finding lasting solutions to food insecurity.