



**Statement before the House Foreign Affairs Subcommittee
on Middle East, North Africa and Global Counterterrorism**

***“The Impact of Russia’s Invasion of Ukraine
in the Middle East and North Africa.”***

A Testimony by:

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Chairman Deutsch, Ranking Member Wilson, distinguished Members of the Subcommittee, I am honored to share my views with you on this important topic. CSIS does not take policy positions, so the views represented in this testimony are my own and not those of my employer.

Overview

Russia's invasion of Ukraine leaves few agricultural markets untouched and threatens food security for millions in and outside the Black Sea region. The war has curtailed food exports from Ukraine and Russia, particularly wheat, maize, and sunflower oil, increasing the prices of these commodities; driven up demand for substitute products, including alternative cooking oils; and reduced exports of fertilizer from the Black Sea, shifting the quantity and nature of crops producers plan to grow worldwide. The high cost of energy adds upward pressure to food and fertilizer prices. Additionally, at the time of writing, twenty countries have imposed food-export bans in attempt to limit the impact of high food prices on domestic populations, while further reducing supplies on global markets¹.

Before the war, Russia and Ukraine accounted for more than one quarter of global wheat exports. Most vulnerable to the impacts of the war-induced price increases are countries for whom wheat is a major source of calories, that rely on imports to meet their food-security needs, and that source a significant proportion of their imports from Ukraine and Russia. According to the Food and Agriculture Organization of the UN (FAO), fifty countries rely on Russia and Ukraine for at least thirty percent of their wheat imports. In the Middle East and North Africa (MENA), these countries include Lebanon, Egypt, Libya, Oman, Saudi Arabia, Yemen, Tunisia, Iran, Jordan, and Morocco².

Food prices influence politics everywhere, particularly in the MENA region. The FAO Food Price Index reached a fifty-year high in 2011³, coinciding with protests and regime changes that characterized the Arab Spring. The FAO Food Price Index reached a new high in March 2022⁴, following two years of steady increases due to the Covid-19 pandemic and, recently, Russia's invasion of Ukraine. As countries in the MENA region remain exposed to global food price increases, the degree of risk of food insecurity, the ability of their governments to respond, and the prudence of international responses, including from the United States, depend on multiple factors and vary country to country.

¹ David Laborde, "Food & Fertilizer Export Restrictions Tracker," Tableau Public. May 16, 2022, <https://public.tableau.com/app/profile/laborde6680/viz/ExportRestrictionsTracker/FoodExportRestrictionsTracker>.

² "The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict," Food and Agriculture Organization of the United Nations (FAO), March, 2022, <https://www.fao.org/3/cb9013en/cb9013en.pdf>.

³ "FAO Food Price Index ends year with sharp decline," FAO, January 12, 2012, <https://www.fao.org/news/story/en/item/119775/icode/>.

⁴ FAO, "FAO Food Price Index," FAO, March 4, 2022, <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>.

Country-level impacts

Importing up to 13 million tons of wheat annually, **Egypt** is the world's largest importer of wheat. Bread and other wheat products account for up to 40 percent of caloric intake per person, and imports account for over 60 percent of wheat use across the country⁵. Egypt's wheat farmers are already achieving relatively high yields, so to meet Egypt's growing demand, imports have steadily increased over the past decade, at a rate higher than domestic production⁶. Despite efforts to diversify imports, Egypt sources over 70 percent of its wheat from the Black Sea⁷, presenting problems for Egypt's budget: Egypt spends approximately US \$3 billion annually for wheat imports, and over \$3.2 billion on the *Tamween* program to subsidize the cost of bread for more than 60 million Egyptians annually⁸.

To lessen the impacts of Russia's war on food prices in Egypt, analysts at the International Food Policy Research Institute (IFPRI) recommend that Egypt diversify its sources of wheat imports, reduce per capita consumption of bread (as Egyptians' bread consumption is double the global average), more efficiently target its food subsidy program (nonpoor households currently receive about two-thirds of the value of food subsidies) and apply cost savings to other food security interventions, and adapt its agriculture sector to imminent water shortages and climate-related threats⁹.

The Russia-Ukraine war is raising the cost of staple foods at a time of extreme food insecurity in **Yemen**, where more than 17 million people, or over half of Yemen's population, are food insecure, 5.6 million people are experiencing emergency levels of food insecurity, and 31,000 are experiencing famine-like conditions¹⁰ due to the ongoing civil war. Yemen relies heavily on food imports and international aid to meet its food needs. The total value of food imports exceeds the value of all exports from Yemen¹¹, and the UN World Food Programme (WFP) is reaching 11 million people with emergency food assistance.

⁵ Kibrom Abay, Lina Abdelfattah, Clemens Breisinger, Joseph Glauber and David Laborde, "The Russia-Ukraine crisis poses a serious food security threat for Egypt," International Food Policy Research Institute (IFPRI), March 14, 2022, <https://www.ifpri.org/blog/russia-ukraine-crisis-poses-serious-food-security-threat-egypt>.

⁶ Ibid.

⁷ "The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict," FAO, March 2022, <https://www.fao.org/3/cb9013en/cb9013en.pdf>.

⁸ Nadine Awadalla, "Egypt shrinks subsidized bread loaf by 20 grams, revises cost of flour," Reuters, August 17, 2020, <https://www.reuters.com/article/egypt-commodities-bread-idAFL8N2FJ50N>.

⁹ Kibrom Abay, et al., "The Russia-Ukraine crisis poses a serious food security threat for Egypt," IFPRI, March 14, 2022, <https://www.ifpri.org/blog/russia-ukraine-crisis-poses-serious-food-security-threat-egypt>.

¹⁰ "WFP Yemen Situation Report #2," WFP, February 2022, <https://api.godocs.wfp.org/api/documents/79a16e048acc497eb62f7f9df96c4588/download/>.

¹¹ Sikandra Kurdi, et al., "The Russian invasion of Ukraine threatens to further exacerbate the food insecurity emergency in Yemen," IFPRI, March 23, 2022, <https://www.ifpri.org/blog/russian-invasion-ukraine-threatens-further-exacerbate-food-insecurity-emergency-yemen>.

Yemen is doubly affected by Black Sea export blockages due to Russia's invasion of Ukraine: Yemen procures nearly 45 percent of its wheat imports from Russia and Ukraine¹² and another 12 percent from other MENA countries. Furthermore, the war has raised the cost of WFP's emergency food assistance by around \$23 billion per month¹³, potentially limiting the reach of WFP's life-saving assistance in Yemen. Yemen's agricultural infrastructure is not oriented toward grain production, and the high cost of fuel increases production costs for Yemeni farmers.

Emergency assistance—through food distributions, commodity vouchers, and cash assistance—is essential to addressing crisis levels of food insecurity in Yemen. IFPRI analysts point to the particular importance of maintaining the value of cash transfers in the face of high inflation¹⁴. Experts also emphasize the importance of “conflict-resilient” agriculture in Yemen, including expansion of drip irrigation and solar powered pumping systems (vice fuel-powered pumping systems, made more costly by high fuel prices) as nearly three-quarters of Yemen's farmers report difficulty accessing irrigation¹⁵, and cultivation of crops for domestic consumption rather than export¹⁶.

The Russia-Ukraine war is limiting access to wheat for import-dependent **Lebanon**, already amid one of the worst economic crises in the world since the mid-nineteenth century¹⁷. While Lebanon has not recorded economic growth since 2017¹⁸, an influx of Syrian refugees has caused Lebanon's population to surge 30 percent in 10 years, reducing GDP per capita by 25 percent between 2017 and 2020. According to the UN, over eighty percent of Lebanon's population lived in multidimensional poverty in 2021¹⁹. As the value of Lebanese currency has fallen, food-price inflation reached 400 percent in December 2021 compared to 2019²⁰. Wheat accounts for 38 percent of total calorie consumption in Lebanon, and the Lebanese government relies on domestic

¹² “The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict,” FAO, March 2022, <https://www.fao.org/3/cb9013en/cb9013en.pdf>.

¹³ “Food security implications of the Ukraine conflict,” United Nations World Food Programme (WFP), March 2022, https://docs.wfp.org/api/documents/WFP-0000137707/download/?_ga=2.130496077.377062501.1652725275-1869819206.1652456665.

¹⁴ Sikandra Kurdi, et al., “The Russian invasion of Ukraine threatens to further exacerbate the food insecurity emergency in Yemen,” IFPRI, March 23, 2022, <https://www.ifpri.org/blog/russian-invasion-ukraine-threatens-further-exacerbate-food-insecurity-emergency-yemen>.

¹⁵ “Yemen: Data in Emergencies Monitoring (DIEM-Monitoring) brief,” FAO, January 2022, <http://www.fao.org/3/cb8312en/cb8312en.pdf>.

¹⁶ Sikandra Kurdi, et al., “The Russian invasion of Ukraine threatens to further exacerbate the food insecurity emergency in Yemen,” IFPRI, March 23, 2022, <https://www.ifpri.org/blog/russian-invasion-ukraine-threatens-further-exacerbate-food-insecurity-emergency-yemen>.

¹⁷ “The World Bank in Lebanon,” The World Bank, <https://www.worldbank.org/en/country/lebanon/overview#1>.

¹⁸ “GFSP Growth (Annual %) – Lebanon,” The World Bank, 1989 – 2020, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=LB>.

¹⁹ “Lebanon: Almost three-quarters of the population living in poverty,” United Nations News, September 2, 2022, <https://news.un.org/en/story/2021/09/1099102>.

²⁰ Dana Khraiche and Ainhoa Goyeneche, “Lebanese Inflation Hits Record High as Food Prices Soar 400%,” Bloomberg, February 11, 2022, <https://www.bloomberg.com/news/articles/2021-02-11/lebanese-inflation-hits-record-high-as-food-prices-soar-400?sref=D59ibWFx>.

and foreign debt to subsidize up to 90 percent of the cost of wheat imports. Lebanon procures approximately 75 percent of its wheat imports from Russia and Ukraine²¹. WFP reached over 1.8 million people in Lebanon with cash transfers and nearly 310,000 with actual food transfers in 2021²².

“To prevent food insecurity from reaching intolerable levels and triggering significant social unrest,” IFPRI warns, “Lebanon does not have the resources to address the crisis systematically, or by itself; it must rely on regional and global support and ad-hoc solutions²³.” IFPRI recommends near-term measures like shoring up wheat supply for the next several months and ensuring equitable distribution of bread through social safety net programs. Since explosions at the port of Beirut destroyed grain siloes in 2020, Lebanon has relied on just-in-time wheat procurement. With rebuilt siloes, Lebanon could insulate itself, and perhaps other countries in the region, from supply- and price shocks²⁴.

Gulf Cooperation Council (GCC) countries import up to 90 percent of food, including from the Black Sea, but have thus far weathered the agriculture-market impacts of Russia’s war in Ukraine. A range of efforts—diversifying import sources, investing in technology to enable food production in arid climates, and engaging in the controversial practice of purchasing agricultural land in foreign countries—have bolstered food security in the GCC²⁵. High oil prices have further enabled GCC governments to absorb food-price increases and insulate populations from food insecurity²⁶. Notwithstanding their relative food security in the present crisis, analysts recommend GCC countries encourage domestic agricultural production, invest in agricultural companies, and build and maintain their food reserves to buffer the effects of future crises²⁷.

Policy responses

Responses that experts recommend may differ country-to-country, based on location-specific contexts, while others are recommended broadly. Based on lessons-learned from past crises, IFPRI experts advise that all countries refrain from imposing export bans; avoid hoarding and panic buying, suspend biofuel mandates in order to retain supplies on global markets and quell prices

²¹ “The Importance of Ukraine and the Russian Federation for Global Agricultural Markets and the Risks Associated with the Current Conflict,” FAO, 2022, <https://www.fao.org/3/cb9013en/cb9013en.pdf>.

²² “Lebanon Annual Country Report Highlight 2021,” WFP, https://docs.wfp.org/api/documents/WFP-0000138572/download/?_ga=2.237901122.377062501.1652725275-1869819206.1652456665.

²³ Clemmens Breisinger, et al., “One of the world’s worst economic collapses, now compounded by the Ukraine crisis: What’s next for Lebanon?” IFPRI, May 6, 2022, <https://www.ifpri.org/blog/one-worlds-worst-economic-collapses-now-compounded-ukraine-crisis-whats-next-lebanon>.

²⁴ Ibid.

²⁵ Nadeen Ebrahim, “Why the food crisis sparked by Russia's war hasn't hit Gulf states yet,” CNN, 2022, <https://www.cnn.com/2022/05/02/business/gcc-food-security-mime-intl/index.html>.

²⁶ Md Manzer Hussain, “High oil prices to power Gulf economies amid inflation risks,” Reuters, April 26, 2022, <https://www.reuters.com/world/middle-east/high-oil-prices-power-gulf-economies-amid-inflation-risks-2022-04-26/>.

²⁷ Shira Efron, et al., “Food Security in the Gulf Cooperation Council,” Rand Corporation, December 2018, https://www.rand.org/content/dam/rand/pubs/external_publications/EP60000/EP67748/RAND_EP67748.pdf.

spikes, and continue to exempt Russia from food and fertilizer from sanctions, to limit impacts on food-insecure countries²⁸. To blunt the impact of price hikes on the poor, IFPRI recommends that countries direct food subsidies to the most vulnerable and provide humanitarian assistance through the WFP, and in the long term, avoid imposing market-distorting subsidies, cautiously consider decisions regarding land conservation programs, and avoid the allure of calls for food self-sufficiency²⁹.

On May 5, the U.S. Department of State announced a five-part response to the impacts of the war on global food security. These steps include mobilizing resources to meet urgent humanitarian needs, mitigating the global fertilizer shortage by increasing fertilizer production, increasing agricultural capacity and resilience, cushioning the impacts of rising food prices via social safety nets and cash transfers, and coordinating responses bilaterally and in international fora³⁰. The global response is unfolding: on May 18 in New York, Secretary of State Blinken will host a ministerial-level meeting among countries whose food security is affected by Russia's invasion of Ukraine, and on May 19, Secretary Blinken will chair an open debate in the UN Security Council on the same topic³¹. Also on May 18 and 19, G7 Development Ministers will meet in Berlin, carrying forward G7 leaders' commitment to "address the consequences of the global crisis on food security through a joint G7 effort"³² and building on G7 Agriculture Ministers' May 14 commitments to stabilize food and fertilizer markets, avoid export restrictions, and promote sustainable and resilient agriculture systems³³. The FAO has proposed a Food Import Financing Facility (FIFF) to help poorer countries deal with surging food and fertilizer prices; FIFF and similar proposals will likely be topics of discussion at upcoming diplomatic engagements.

Food security impacts of Russia's war in Ukraine are likely to persist at least through 2022. In its latest World Agriculture Supply and Demand Estimates report, USDA offered its first prediction for the impact of the war on Ukraine's next (2022-2023) wheat harvest, reducing expected exports

²⁸ Joseph Glauber and David Laborde, "Do No Harm: Measured policy responses are key to addressing food security impacts of the Ukraine crisis," IFPRI, April 12, 2022, <https://www.ifpri.org/blog/do-no-harm-measured-policy-responses-are-key-addressing-food-security-impacts-ukraine-crisis>.

²⁹ Ibid.

³⁰ "Remarks: Under Secretary of State for Economic Growth, Energy, and the Environment Jose W. Fernandez At the 2022 World Food Prize Laureate Announcement Ceremony," U.S. Department of State, May 5, 2022, <https://www.state.gov/under-secretary-of-state-for-economic-growth-energy-and-the-environment-jose-w-fernandez-at-the-2022-world-food-prize-laureate-announcement-ceremony/>.

³¹ "Global Food Security Ministerial," U.S. Department of State, May 18, 2022, <https://www.state.gov/global-food-security-ministerial/>.

³² "G7 Leaders Statement," G7 Germany, April 7, 2022, <https://www.g7germany.de/resource/blob/997532/2024356/f5d27e428c7f4d0f4086bd6bbafc6da0/2022-04-07-g7-leaders-eng-data.pdf?download=1>.

³³ "Pathway Towards Sustainable Food Systems in Times of Crises," G7 Germany, May 14, 2022, <https://www.g7germany.de/resource/blob/997532/2040144/8bd6097641a2c66114d95a2615c4d01d/2022-05-16-g7-agrarminister-eng-data.pdf?download=1>.

by 11.5 million metric tons, 35 percent less than 2021-2022³⁴. Regardless the length of the war, the crisis will already affect health and wellbeing of future generations. When food prices rise, consumption shifts from more expensive foods high in nutrients to less expensive foods of lower nutritional value, increasing incidence of malnutrition. Children’s nutritional needs are high relative to their body size, and women’s are high when pregnant or lactating. Absent targeted nutrition assistance, malnutrition will increase among children and women, with lifelong effects on human and economic growth³⁵.

The war-induced food crisis falls on the heels of the food crisis brought on by Covid-19, which caused food-insecurity levels to rise to their highest levels in at least 15 years. In the 2015 Intelligence Community Assessment on Global Food Security, the U.S. intelligence community noted that “large exportable supplies of key components of food production—such as phosphates, potash, and fuel oil—come from states where conflict or government actions could cause supply chain disruptions that lead to price spikes.” In the years to come, conflict, climate change, and other factors will continue to suppress agricultural production, with continual effects on food-importing countries, including in the MENA region³⁶. In their responses to today’s global food crisis, policymakers would be wise to consider establishing mechanisms that help food-importing countries weather today’s—and future—supply and price shocks.

³⁴ “World Agricultural Supply and Demand Estimates,” *Office of the Chief Economist, U.S. Department of Agriculture* 624, (2022): <https://www.usda.gov/oce/commodity/wasde/wasde0522.pdf>

³⁵ Saskia Osendarp, et. al., “Act now before Ukraine war plunges millions into malnutrition,” *Nature* 604, (2022): <https://www.nature.com/articles/d41586-022-01076-5#:~:text=Governments%2C%20donors%20and%20others%20must,to%20prevent%20acute%20food%20insecurity>

³⁶ “Global Food Security Intelligence Community Assessment,” Office of the Director of National Intelligence, October 14, 2015, <https://www.dni.gov/index.php/newsroom/reports-publications/reports-publications-2015/item/1265-global-food-security-intelligence-community-assessment>.