

Ukraine Crisis Impacts Food & Energy

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Authors: William Bell, Nushrat Chowdhury, Richard Ewbank, Elizabeth Hallinan, Claire Meeghan, Jo Mountford, Salome Ntububa, Oliver Pearce, Sophie Powell, Fredrick Njehu, Yaqoob Rauf, Fionna Smyth, Joe Ware

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christianaid.org.uk

Contact us

Christian Aid
35 Lower Marsh
Waterloo
London
SE1 7RL
T: +44 (0) 20 7620 4444
E: info@christian-aid.org
W: christianaid.org.uk

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Summary

UN Secretary General, Antonio Guterres has said that the "sword of Damocles hangs over the global economy, especially in the developing world." He added: "We must do everything possible to avert a hurricane of hunger and a meltdown of the global food system."

The Russian invasion of Ukraine has created an immediate humanitarian disaster and a European refugee crisis. The war has also begun a chain of events which will impact people around the world and trigger a food and energy emergency which will cause poverty and hunger to rise exponentially in some of the poorest parts of the world.

Even before the war in Ukraine, gas and food prices had risen thanks to a progressively failing chemical and industrial corporate-driven food system, a global pandemic and climate change, creating a cost-of-living crisis. World wheat production was forecast to be up 1.9% for 2022 globally, before the war started. However, East and West Africa were reporting lower than usual harvests for 2021 so the picture is not rosy across the board. US and Canada wheat production was up.¹

With Russia the world's biggest gas exporter, since the outbreak of war energy costs have spiked even further. Russia is also the world's biggest source of fertiliser, and with exports curtailed, there is a global shortage which is reducing crop yields around the world. Ukraine and Russia combine for nearly a third of the world's wheat and barley exports and are the main source of wheat to large swathes of Africa and Asia. With many Ukrainian farmers fighting, crops not being harvested or seeds sown, and the country's ports in the Black Sea under attack, millions around the world face the prospect of a growing food shortage.

"Food and energy are the two biggest items in the consumption baskets of poor people all over the world. It is poor countries and poor people within poor countries that will suffer the most." - Ngozi Okonjo-Iweala, Director General of World Trade Organisation.

They are crucial to survival unlike 'optional' luxuries.

This paper examines this energy and food catastrophe, the poverty disaster it is about to unleash, and what the UK, EU and other countries can do to respond.

Ukraine: The world's breadbasket

Russia and Ukraine possess some of the most fertile land on earth and their wide, flat plains are ideal for crop cultivation making them major food producers. In 2022, the UN Conference on Trade and Development reported that Ukraine and Russia accounted for more than 50% of the world's sunflower oil and sunflower seeds, around 25% of the world's wheat and barley and about 15% of the world's maize and rapeseed².

The reason they are described as the breadbasket of the world, is because as low-cost producers, the two countries make up the bulk of the supply for some of the poorest and most food insecure countries in Africa and Asia. Russia exported agricultural products worth US\$4 Billion in 2020 with 90% being wheat and 6% was sunflower oil. Major importing countries were Egypt, which accounted for nearly half of the imports, followed by Sudan, Nigeria, Tanzania, Algeria, Kenya, and South Africa. Ukraine on the other hand exported agricultural products in the African continent worth US\$2.9Billion in 2020 with 48% of those being wheat, 31% maize, and the rest included sunflower oil, barley, and soybeans³.

For example, the two countries account for 100% of Somalia and Benin's wheat imports, more than 90% of Laos's, more than 80% of Egypt's and over 75% of Sudan's. They account for 95% of sunflower oil imports to China and India⁴. These percentages are high, but it must be noted that wheat or sunflower oil imports may form a small amount of a country's overall food supply. For example, Somalis eat mainly rice, maize and sorghum and India only imports 10% of its overall edible oil consumption. Countries that rely extensively on imports will be more at risk.

25 African countries, nearly half the continent, including many least developed countries, import more than one third of their wheat from the two countries, and 15 of them import over half⁵.

With Western sanctions applied to Russia, affecting its ability to trade, the Kremlin has reduced its exports of certain food groups to secure domestic supply. These include barley, rye, wheat, maize, mixed grains, and sugar, which limits their availability to Western countries operating sanctions. As demand from the West is removed from the market this can impact the global market generally. India has already increased imports of oil from Russia taking advantage of reduced prices⁶.

These factors have contributed to the spike in prices. The UN Food and Agriculture Organisation reported in March that global food prices had risen to their highest recorded level; cereals have gone up by 40% since last March, cooking oils by 55%, meats by 20%⁷. The FAO's Food Price Index was already at an all-time high (since the FPI's inception in 1990) in February, before the impact of the crisis, and only climbed higher in March. FAO's March data, which shows the start of the impact of the conflict, saw wheat prices jump 19.7% in just one month⁸. The war is truly fuel on the fire.

Export nightmare: Ukraine's Black Sea ports under siege

Part of what makes Ukraine such an effective exporter of wheat and other foodstuffs are its deep ports of Odessa and Mariupol in the Black Sea. However, since the war these have been under bombardment and largely out of action. It is estimated 400 Russian mines are currently floating in the Black Sea⁹. Before the war, Ukraine used to export 6 million tons of grain and oilseed a month, but this fell to 200,000 in March¹⁰. Ukraine's deputy agriculture minister, Taras Vysotsky, said in April that the country has 13 million tons of corn and 3.8 million tons of wheat that it cannot export using its usual routes, primarily by sea. So far, he said Ukraine had missed out on \$1.5 billion in grain exports¹¹. The US, also a major wheat exporter, is predicting its poorest wheat harvest in over a decade¹², adding to concerns that the market will not make up the loss from Ukraine.

Alternative export routes are challenging. Its ports on the Danube don't have the same capacity as the deep sea ports of the Black Sea and are not usually used for export. Ukraine uses different track widths than other countries in Europe so narrower carts are required for rail transport. Driving them by truck is also difficult with most truck drivers being men aged 18-60 who are currently not permitted to leave the country and many of whom are fighting.

Farmers' fields now battlefields

Much of Ukraine's fertile farmland is now disrupted by warfare, with grain stores and agricultural equipment destroyed by Russian attacks. Farmers called up to join the armed forces also cannot farm and those killed in battle cannot return to their farms to plant and harvest. Russian forces have also mined large areas of farmland to disrupt planting.

With farmers facing massive losses and unable to export their produce many will face bankruptcy.

Ukraine's prime minister, Denis Shmygal, said that the government expected a 20% decrease in crops to be sown this spring, including maize and sunflower¹³.

A humanitarian food crisis

"We have to take food from the hungry to give to the starving" – David Beasley, Executive Director, World Food Programme

For 125 million of the hungriest people in the world the World Food Programme (WFP) is the last line of the defence against starvation in countries such as Yemen, Afghanistan, and the Sahel. However, 50% of the grain bought by the WFP is from Ukraine. Not only has Ukrainian grain production been disrupted, but the country is now in need of aid from the WFP itself. As Executive Director David

Beasley said, Ukraine has gone “from the breadbasket of the world to breadlines.”

He said that they are now having to cut back on the food they provide in some of the most vulnerable and food insecure places because of the global food shortage. “We have to take food from the hungry to give to the starving,” he said.

He warned that European nations needed to vastly increase their funding to WFP to meet the needs of people who cannot feed themselves.

The crisis will have ripple effects on the food crisis in vulnerable countries in Africa and Middle East especially those highly dependent on grain imports from Russia. Both Ukraine and Russia are deeply integrated into the global agricultural commodity chains and food market. Only the de-escalation of this crisis can avert the looming crisis of commodity price hikes, food shortage through a trade disruption.

The next Arab Spring? A new Syrian refugee crisis?

In March this year, the head of the World Trade Organisation, Ngozi Okonjo-Iweala, warned that the crisis could lead to food riots¹⁴. Although other factors such as tax and spending policies, government support to vulnerable groups, wider political dynamics could also contribute.

Food shortages are a recipe for unrest, conflict, and migration. Rising grain prices and a drought that lasted for many years were contributing factors (alongside significant curtailment of rights) which sparked the wave of unrest and revolutions of the Arab Spring which culminated in the devastating war in Syria and the subsequent humanitarian crisis which saw millions of Syrians seeking refuge in neighbouring countries and in Europe.

In March this year, riots rocked Sri Lanka as a result of the deepening economic crisis which predated the Ukraine crisis. Sri Lanka imports much of its food and all its fuel meaning that as global prices rose, exacerbated by the Ukraine crisis, essential food inflation rose by 25% and fuel rocketed in price leading to power cuts¹⁵.

A fossil fuel crisis

As well as a major food exporter, Russia is the world's biggest exporter of gas and many countries have become dependent on it, particularly in Europe.

Russia is responsible for 15% of the global coal trade, 10% of the global oil trade and 8% of the global gas trade¹⁶. Of European Union countries Russia makes up 41% of the bloc's imports of gas, 27% of its imported oil and 47% of its coal imports¹⁷.

Energy and food prices were already on the rise even before the war broke out. The situation was already grim with commodity prices still fluctuating following the disruption caused by the Covid-19 pandemic with restrictions on movement affecting the global economy. Global energy prices were on average 80% higher in 2021 than 2020. These energy prices have spiked as fears of a Russian invasion grew. The rise in global energy prices threaten to accelerate inflation and have already caused a cost-of-living crisis in even rich OECD countries.

Furthermore, the reduced supply of energy has led to supplies being bought up by richer countries, whilst poorer countries have been unable to purchase energy supplies. For example, Lebanon imports more than 90% of its fuel supplies, El Salvador over 40%, India over 30%, and Eritrea over 20%, according to most recent data¹⁸. Rising global energy prices have left poorer countries unable to pay for the fuel they need, leaving businesses and households facing energy shortages. This has had knock on effects on the ability of businesses, services, and households to operate on a daily basis, and is sparking major economic crises. For example, Sri Lanka recently limited fuel supplies for buses and lorries, and announced regular day-long power cuts, which has contributed to protests across the country.

Whilst European countries continue to pay for Russian fossil fuels, the Russian army is killing Ukrainian civilians. This war has exposed the lethal folly of economies reliant on fossil fuels from petro-dictators like Vladimir Putin and underlines the urgency to transition to renewable energy and net zero emissions. These are also cheaper – it is the folly of continuing to waste \$5.9 trillion¹⁹ in fossil fuel subsidies when solar is now the cheapest energy in history²⁰ and renewables in general are surging past fossil fuels to become the world's cheapest source of energy²¹ is driving up energy costs when they should be falling. The only glimmer of hope in this terrible situation is the opportunity that it provides to stop the subsidies to fossil fuel and to invest massively in renewable energy. Could this be the catalyst we need to transition to a just and green economy? The UK Government's underwhelming energy strategy published this month omitted obvious demand side measures like energy efficiency and insulation which would help reduce the use of fossil fuels.

Household electricity prices pre- and post-Covid in select countries in US\$ per kwh

Country	2019	2021
Bolivia	0.8	0.188
Burkina Faso	0.218	0.198
Guatemala	0.164	0.260
Kenya	0.161	0.213
Honduras	0.156	0.180
Nigeria	0.139	0.057
Colombia	0.139	0.144
DRC	0.1	0.082
India	0.092	0.1580
Bangladesh	0.042	0.065
Ethiopia	0.035	0.007

Source: Calculated from GlobalPetroPrices.com 2019 and 2021

Domestic electricity prices vary significantly between the 2019 and the 2021 post-Covid 19 period. The figure above indicated that, prior to the Covid-19 pandemic, Bolivia, Burkina Faso and Burundi paid the highest prices for electricity at over US\$0.18 per kilowatt. Bangladesh, Ethiopia and El Salvador had the least cost for domestic prices at below US\$0.045 per kilowatt.

Households in Guatemala paid the highest cost of electricity at \$0.260 per Kilowatt by the end of 2021 with countries such as Haiti, Sierra Leone, Kenya, Honduras, El Salvador paying higher prices per Kilowatt. Ethiopia, South Sudan and Angola paid the least cost of household electricity costs at below \$0.02 Kilowatt per hour. These prices are for households and are computed using the annual average electricity prices per year.

The perfect storm – A crisis built on climate change and Covid-19

The global hunger crisis isn't temporary, and it isn't a surprise. Hunger was on the rise long before the war broke out. In fact, it has almost doubled since 2019²².

The food and energy crisis sparked by the Russian war on Ukraine will bring hunger and poverty to some of the poorest people. Exacerbating their suffering is the underlying threats of climate change and Covid-19.

Climate breakdown, fuelled in large part by the rich world's addiction to fossil fuels from Russia and elsewhere, is already threatening global food security. Erratic rainfall, rising temperatures and sea levels, droughts and floods are putting stresses on food production in some of the most vulnerable places. In 2021, Gernot Laganda, of the WFP, said that weather-related shocks and stresses were "driving hunger like never before"²³.

Covid-19 caused death and disruption across the globe, striking countries without well-funded healthcare infrastructure hard. Oxfam estimated the number of people living in famine-like conditions since the pandemic began rose by six-fold to 520,000²⁴. These figures are likely to be dwarfed if the shocks caused by the war in Ukraine hit the world's most vulnerable unchecked.

Solutions

The need for an agroecology revolution:

The Ukraine crisis lays bare the weaknesses in our food systems, with poor countries left reliant on imported food, and agricultural inputs like fertilizer and pesticide. It highlights the need for agriculture practices (like agroecology) that encompass a wide variety of farming systems with an emphasis on diversity, locally led and adapted approaches to harness much greater resilience. Rather than relying on expensive chemical inputs which damage soil and water leading to diminishing returns, it focusses on both farmer and

scientific knowledge and harnesses natural processes to bring sustainability to the food system.

We have an energy system reliant on fossil fuels supported by massive subsidy²⁵ that now drives climate change and escalating energy costs and a food system also supported by massive subsidy²⁶ that drives almost all environmental degradation, biodiversity loss, pandemic risk, and other health problems, including chronic malnutrition and obesity and is also causing escalating food supply disruptions and food price rises. In both systems, the taxpayer pays for this catastrophe not once but twice – first through these subsidies that divert funding from health, education, and other, more urgent priorities, and then through massive price rises. A more dysfunctional system could not result if it had been a deliberate multi-Government policy to destroy the climate, environment, and human health. The only people benefitting are the hyper rich, who see their bonuses and shares in arms manufacturer and trading, fossil fuel, agrochemical and food trading corporates rise on the back of this catastrophe capitalism – BP CEO Bernard Looney has called his company a “cash machine” and pocketed a £2.4 million annual bonus²⁷.

The need for a shift to a sustainable, renewable energy system:

The Ukraine crisis has exposed the reliance of many countries on imported fossil fuels from Russia and laid bare the economic risks to countries of relying on fossil fuel imports. To end the current crisis and create sustainable and reliable energy systems for the future, there is an urgent need to increase investment in sustainable renewable energy, such as wind and solar power. Many countries could increase their energy supply from domestic renewable energy sources, and in many cases businesses and households can directly access renewable energy resources. In many cases, sustainable renewable energy will be much cheaper and more reliable than fossil fuel imports once governments have invested in appropriate infrastructure and stopped subsidising fossil fuels. On top of that, the shift to using sustainable, renewable energy globally is imperative to reducing fossil fuel emissions and stopping devastating climate change.

What the UK Government can do:

Any response requires an anticipatory approach; not just repeated rounds of food aid when people are already in crisis. In conflict contexts, the UK should use a ‘nexus’ response that cuts across humanitarian, development and peacebuilding. As such it is critical that FCDO and government colleagues take action to ensure:

- The UK takes a leadership role to push all G7 countries to uphold G7 Famine Compact Commitments²⁸, including new funding, particularly to scale up anticipatory action and resilience programming, and strengthen World Bank capacity for crisis preparedness and response. This is needed right now in the Horn of Africa, the Sahel and Afghanistan.
- A long-term approach to stabilize global food security. In alignment with the IPCC 6th Assessment Report on Impacts, Adaptation and Vulnerability, which says “Agroecology can support long-term productivity and resilience of food systems” all UK Aid to Agriculture should support agriculture that works with, not against, nature, to lessen dependence on chemical inputs and food imports now causing dramatically escalating prices.

- 25% of funding is channelled through local NGOs, which are often best able to respond quickly and have better access and acceptance among hard-to-reach communities. This is a goal the UK signed up to at the World Humanitarian Summit in 2016.
- The UK government immediately raises the aid commitment back to the 0.7% GNI level for ODA, in line with the government's core commitment to humanitarian preparedness and response for famine-afflicted countries and in recognition of the scale of the global crisis²⁹. Any funding should be flexible and multi-year.
- Reverse cuts to international aid by returning to a commitment of 0.7% of Gross National Income (GNI). Funding for Ukraine must be in addition to the 0.7%.
- The path to net zero needs to be accelerated with much bolder measures taken to transition the UK off fossil fuels than was laid out in the recent energy strategy. Spending more money on oil and gas production as the energy strategy commits to, will only worsen the climate and food crises, and hamper our efforts to reach net zero. Instead, we need to see more ambitious measures to cut energy use and ramp up renewables.
- The UK Government must stop funding fossil fuels abroad by closing the loopholes (For example, exemption for gas) that still allow British money to fund coal, oil, and gas projects in other countries. Instead, the Government must switch UK investment to renewable energy projects, so that people in poverty have access to reliable clean energy.
- The UK government introduces a new 'Business, Human Rights and Environment Act' to ensure that UK companies in the expanding renewable energy sector (and all sectors) are held accountable for protecting the rights of local populations, through mandatory, gender-sensitive, human rights and environmental due diligence tests.

Examining countries that Christian Aid are present

DRC

With regards to food and energy prices, local traders are concerned that the current situation is worse than during the Covid 19 crisis. During the peak of the pandemic, transport fees didn't increase but now, not only has the price risen but also there is not enough fuel in some stations, people are paying more than 10% extra for public transport and about 5% extra for goods transport.

Each week, since the beginning of the Ukraine crisis, food and energy prices are not stable. At the end of March 2022, food prices increased by 4.5%, when at the end of February, it was by 3.6%³⁰. The country also has a heavy reliance on imports which has made the effect of food price rises particularly severe. Young people recently demonstrated in Bukavu, a city in the east, because they can't afford to buy food at the current prices. Local governments are aware of the problem and have visited shops to monitor the prices and try to stabilize them, especially for food that is not locally

produced. Some vendors, having seen the crisis unfold in Ukraine and the fuel prices rise, have raised their prices in anticipation of the impact.

In South Kivu, Christian Aid has been distributing cash to those in most need, a sum of \$14 a month per family. This helps to supplement the food they can grow or buy themselves locally and is often used to buy extras like sugar, salt and oil which are usually imported. This year the same amount is being distributed but it can't cover the same number of supplies, so families go without.

Sahel region

When food prices increase, vulnerable families resort to negative coping strategies. For example, poor households are sending children to do dangerous work, teenage girls are marrying early and occasional work, that so many rely on, is rare. The poorest producers in Sahel do not grow enough to feed themselves and therefore must buy food from the market, especially during this Ramadan period.

The increase in food costs is impacting on other survival needs such as access to medical facilities as families choose between buying food or paying for transport to clinics and medicine. The higher costs for agricultural production, will reduce the space to cultivate, and the income for the coming season and harvest. The knock-on effect of the Ukraine crisis exacerbates the existing food insecurity in the region.

Burundi

Cities and rural areas are running out of fuel, especially gasoline, this situation has caused some tensions in the cities, and farmers are complaining that they have no market for selling their products since all transport means that people have been cut off. For example, it is peak harvest time for fruit, but the fruits are no longer picked and remain on the trees even if they are ripe and falling on the ground and rotting.

When there is no fuel, Christian Aid staff have to postpone field visits to programmes. Now CA staff can work around it by postponing or making contingency plans but if the shortage of fuel continues or gets worse this will have an impact on our programme work.

Zimbabwe

The price of bread has risen sharply. It's no longer affordable to many people which is a shock to Zimbabweans. A standard loaf of bread now costs more than US\$2, up from around \$0.90. The Grain Millers Association of Zimbabwe also increased the prices of maize and wheat by 50% and 17.8%, respectively.

Ethiopia

Price of metal and price of food have risen. Wheat flour has risen from 2,000 to 3,000 Ethiopian Birr per kilo to almost Br5,500 per kilo.

South Sudan

Severe food insecurity is escalating in South Sudan. 8.3 million people face severe insecurity once the lean season hits in May. In 2021, six counties had extreme levels of food insecurity, now there are 13 counties. Some of these were already in famine-likely conditions and have not recovered from three years of flooding impacting planting, harvesting, and depleting stocks. Rains are now arriving early to these areas.

In February 2022, the FAO Food Price Index reached a new historical record, 21% above its level a year earlier, and 2.2% higher than its previous peak in February 2011³¹.

Current projections indicate that up to 13 million more people will be hungry globally due to rising food prices as a result of the crisis in Ukraine. The reduction in grain exports from Ukraine and the Russian Federation would have a knock-on effect on not only wheat prices, but staples for people in South Sudan such as maize (up by 8.2%), oilseeds (up by 10.5%), and these are only short-term, conservative projections. Maize prices could rapidly increase by 19.5% for maize, and 17.8% for oilseeds. South Sudan's economy was already in a downward spiral due to Covid, climate change related events, and conflict, with rapid inflation. Even if supply was maintained, families will not be able to afford staples.

As States made commitments to step up action to curb the escalation in hunger and take preventative action at high level events last autumn, it's time to tackle the ring of fire which millions face in South Sudan. Further suffering can be prevented if action is taken now, turning our attention from this will cost lives and fast.

Bangladesh

As an oil-importing country, Bangladesh Petroleum Corporation (BPC) reported that it was losing around £1.7 million each day (equivalent to 19 crore taka) due to increased high oil prices, a hike in gas, fertiliser, and other essentials' prices nationwide³².

The war in Ukraine is a double blow as the energy-related goods, such as fuel for utilities and transport have been much higher in January 2022 compared to last year. If the war in Ukraine continues, in terms of food security implications of rising food and fertiliser prices, the additional affected areas would include wheat market, vegetable oil import and the feed sector.

The war and export sanctions have disrupted global fertiliser market – Bangladesh's rice production is heavily dependent on fertilisers' use. Around 75% of its potash fertiliser needs comes from Russia and Belarus together. Amidst this uncertainty, it will likely source these ingredients from other countries – fearing to pay higher prices.

Inflation rocketed to a 17-month high in March because of higher food costs. Food inflation rose to 6.34% implying poor and the lower-income groups are the hardest hit as food accounts for almost half of their consumption basket³³. According to the latest World Bank report, the war in Ukraine and associated sanctions have resulted in higher global commodity prices which in turn has worsened Bangladesh's inflation outlook³⁴.

Fifty-eight percent of Bangladesh's total exports are exported to the European Union region countries³⁵. If the war is extended to geographical areas and continues, this would adversely affect Bangladesh's export earnings. The less earnings will increase poverty in the country, especially for garment workers.

Rooppur Nuclear Power Plant is Bangladesh's first nuclear power plant. According to the BBC, 90% of the total funding for the project is provided by Russia's VB Bank as loan assistance³⁶. However, in the wake of the Russia-Ukraine war, several Russian banks, including the state-owned VB Bank, have been banned from

Western countries. This will adversely affect completion of the project. Lack of energy will adversely affect food security.

The worst fear is that the war in Ukraine and the disrupted supply chain do not show any sign of abating.

Occupied Palestinian Territory

According to the Palestinian Central Bureau of Statistics (PCBS), in February, the overall consumer price index recorded an increase of 0.61% compared to January³⁷. During the first two weeks of March, the prices of many necessities increased substantially. The table below shows the increase of prices in the Gaza Strip³⁸.

Subgroups	Percentage Change
Flour	10% increase in the price of 50kg bags
Sugar	10% increase in the price of 50kg bags
Oils and legumes	7% increase
Eggs	36% increase in the price of a carton (30 eggs)
Red Meat	6% increase per kg

During the months of February and March, gasoline prices were stable at 6.33 NIS per litre, but in April prices increased to 6.59 NIS per litre, which is approximate a 4% increase difference. During the months of February and March, diesel prices held steady at 5.65 NIS per litre, but in April prices increased to 5.99 NIS per litre, which is approximate a 6% increase.

In most cases, people are turning away from buying fresh meats and supplementing their diet with frozen meats, as they are cheaper.

People are also changing their diets and consumer behaviour to accommodate the higher prices. This also includes cooking and heating methods as Liquified Petroleum Gas (L.P.G) increases in price.

The situation in Gaza is worse than that in the West Bank, as Russia is the main wheat supplier, and with a disorganised shipment schedule, it is expected that Gaza's strategic stock will run out of wheat in a month and a half. Major merchants in Gaza are facing enormous amounts of financial pressure, as shortages are pushing global merchants to herd greater amounts than needed; thus, leaving Gaza's merchants to deal with extra expenses. Also, the lack of storage space and facilities reduce the amount of products directly available to the market³⁹.

The increase in fuel prices resulted in a higher taxi service running cost, which is directly reflected on the passengers (0.5 NIS increase per passenger using Birzeit-Ramallah taxi service. The increase in the prices of fuel and food, are rationing consumer behaviour, as people are changing their diet and daily habits to accommodate change. Grain and oil shortages are hindering food security, especially in Gaza.

Kerosene and diesel are the main sources of heat in the winter, but with the increase in prices of both kerosene and diesel, people are struggling to afford those necessities. Many people started switching back to wood burning and fireplaces or using electric heaters that are not as efficient.⁵

Afghanistan

The price of food and energy has been increasing since the change of Taliban Regime in August 2015 and it has increased more since

the Ukraine war. For example, the cost of 1 litre of fuel increased from 60 Afghani to 85 Afghani (around \$0.7 to \$1) and prices can vary in each province.

Factors contributing to these rises before the Ukraine crisis were the banking system collapsing and limiting cash movement, funding was reduced from large donors such as the World Bank, no recognition of IEA by international communities and girls' education was limited.

Before the war, in the markets, people would use private vehicles and generally there was more traffic in the streets. If people have to travel, they are using public transport more, but the prices are also increasing. The cost of public transport was cheaper before - 10 Afghani or 20 Afghani per journey - now it is around 30-50 Afghani. A 50 kg sack of wheat flour was 2,000 Afghani but has now increased to 3,500 Afghani (around \$25 to \$41).

The rising costs have impacted peoples' lives. Salaries don't cover as much as they used to. People go without certain food items because they can no longer afford them. Many are leaving the country to find work and a better life.

Christian Aid partners are reporting the same, the cost of energy and food has increased and that the rate of poverty has increased. Every day it seems to be getting worse with more beggars in the streets, particularly an increase in women begging for money or food.

The items that CAID and partners in Afghanistan, including Afghans 4 Tomorrow, are distributed to vulnerable families in need in Kabul, Nangarhar and Laghaman provinces have also become more expensive. These include wheat flour, vegetable oil, soya, sugar, soap, and shampoo.

Syria

Syria's increasing food insecurity has been a result of more than a decade of conflict and economic and financial instability. Last year's severe drought affecting millions of people has been another contributing factor⁴⁰.

Food prices throughout Syria are increasing, up 86% in January compared to the same time in 2021. The northwest is particularly vulnerable given it is largely dependent on humanitarian food aid and imports from Turkey. Turkey imports nearly 70% of its sunflower oil and 78% of its wheat from Ukraine and Russia. Any price increases or wheat shortages in Turkey are likely to affect Syria's northwest⁴¹.

With food prices rising and the Syrian pound losing 80% of its value, Syrians are struggling to buy even the necessary basics to feed their families⁴².

If the war in Ukraine continues, global wheat, oil and energy prices are set to soar. Countries like Turkey that are heavily dependent on imports from Russia and Ukraine, and regions like northwest Syria which are already struggling, will need more help to cope with the impacts.

End notes

- ¹ <https://www.fao.org/3/cb8893en/cb8893en.pdf>
- ² https://unctad.org/system/files/official-document/osginf2022d1_en.pdf
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- ¹⁰ <https://www.reuters.com/world/europe/ukraine-says-grain-ships-blocked-black-sea-ports-may-deteriorate-2022-04-15/>
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