



European Commission

Security, stability and sustainability

Tackling global food security and affordability challenges



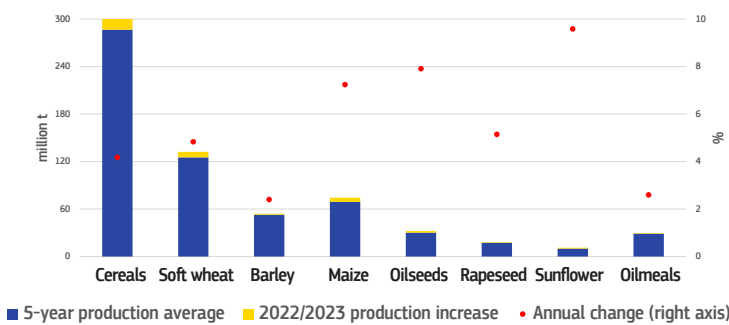
May 2022



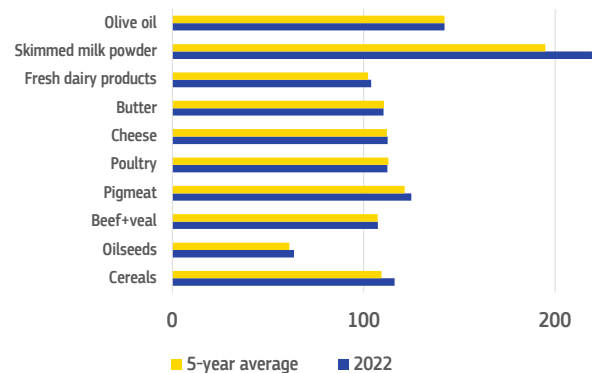
SHORT-TERM OUTLOOK OF EU AGRICULTURAL MARKETS

Food supply is not at risk in the EU today. The EU is **largely self-sufficient** for key agricultural products, but is dependent on key inputs such as fertilisers and vegetal proteins. With all time high prices of many arable crops, EU farmers have taken a business decision to sow larger areas. This positively impacts EU export capacity in these crops and those farmers' incomes. In the context of rising food prices, social policy measures are important to both protect the most vulnerable citizens from food insecurity and to ensure everyone can afford sufficient amounts of healthy and nutritious food.

EU production development of selected arable crops



EU self-sufficiency for selected agricultural products (%)



Source: [EU agricultural markets short-term outlook, Spring 2022](#)

Tackling food loss and waste is key to achieving sustainability. A 2016 study, funded by the European Commission, estimated that **20% of food** in the EU get wasted, accounting for **6% of EU greenhouse gas** emissions and putting an unnecessary burden on land, water and other limited natural resources. By mid-2023, the Commission will propose legally binding targets to reduce food waste across the EU.

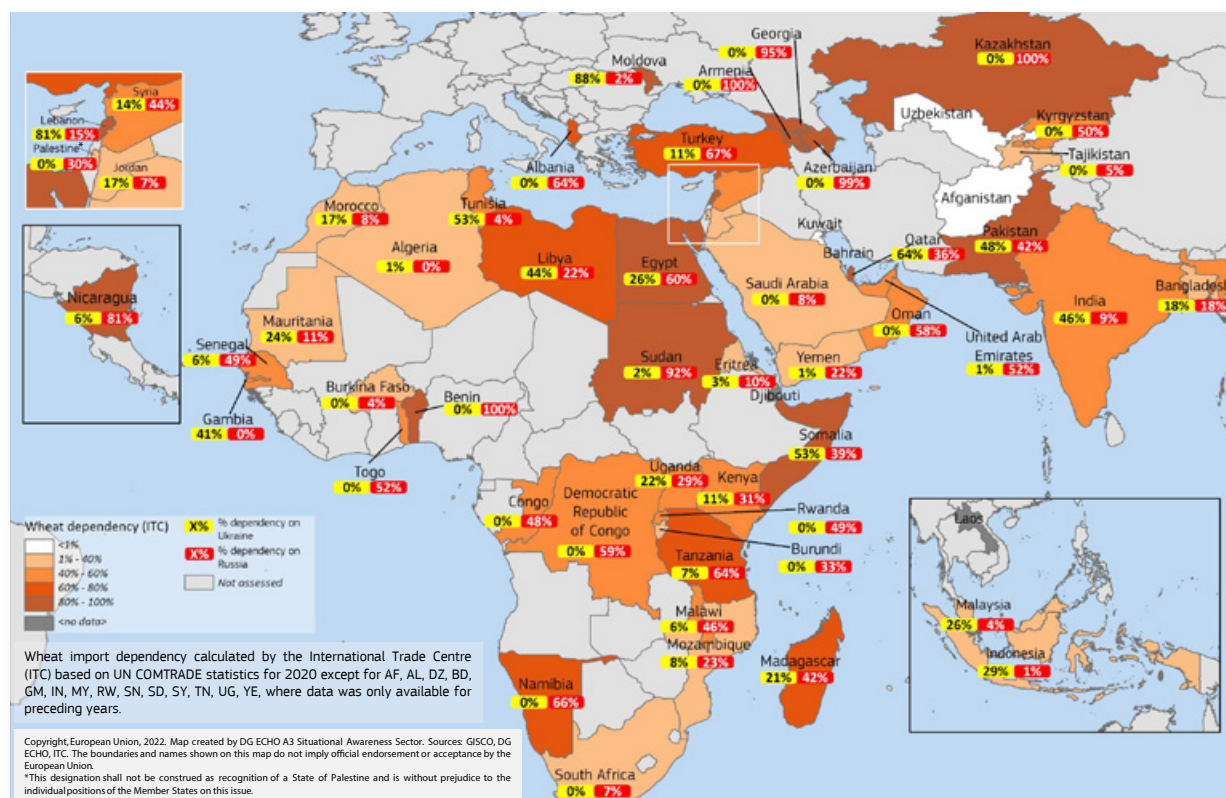




GLOBAL FOOD SECURITY CHALLENGES

Reduced crop production and exports from Russia and Ukraine carry significant risks for both food availability and affordability in the EU neighbourhood in North Africa and the Middle East, but also in Asia and sub-Saharan Africa. This particularly concerns wheat, the basic food staple.

Wheat import dependency on Ukraine and Russia



- ▶ In the short term, all agricultural exporting regions, including the EU, must step up their efforts to ensure a sufficient supply of staple foods will be available for the most vulnerable regions.
- ▶ Both humanitarian needs and costs are likely to increase and put additional pressure on humanitarian assistance. Since 2015, the EU has spent a minimum of **€350 million per year** for humanitarian food assistance and a further **€2.5 billion** (€1.4 billion for development and €1.1 billion for humanitarian aid) is pledged for international cooperation with a nutrition objective in the period 2021-2024. In the period 2021-27, the EU will support food systems in about 70 partner countries.
- ▶ Well-functioning trade flows and open supply chains—without restrictions or export bans - as well as diversification of food supply sources are essential for global food security.
- ▶ In the medium term, we need to address the deficiencies revealed by the current crisis, fostering the transition to more resilient and sustainable food systems. This is key to ensure food security. To this end, the EU continues to support the transformation of food systems in third countries.

G7 Agriculture Ministers meeting on 13-14 May committed to sustainably increase agricultural productivity and production and the resilience of agricultural ecosystems as a response to the agricultural crisis caused by Russia’s invasion of Ukraine. Food loss and waste and the promotion of balanced and healthy diets should also be addressed.



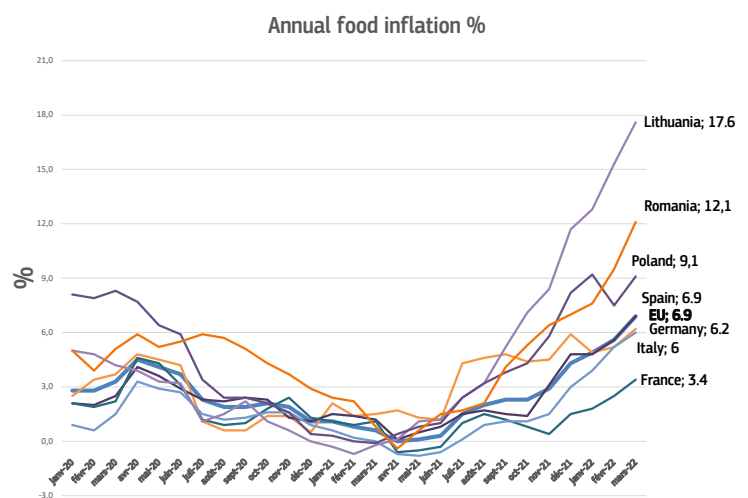
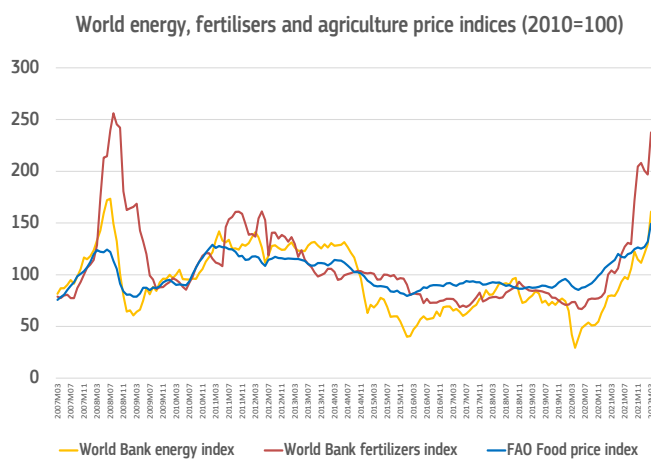


STABILISE PRODUCTION COSTS AND FOOD PRICES

Agricultural input prices were already increasing before February 2022 due to a surge of energy prices and costs such as fertilisers. The Russian aggression against Ukraine is further increasing the current challenges resulting in high food prices globally.

For farmers, effects of the price surge on revenue and income are mixed. For instance, exceptionally high prices for a number of arable crops have encouraged many farmers to sow larger areas. This should positively impact their incomes, as well as EU export capacity.

In other cases, the increase in production costs is not reflected in market prices. Resulting income pressures are particularly felt by many livestock farmers, especially pig and poultry producers. On average, farm income per worker is expected to decline in 2022 and 2023. The impact on individual farms will vary according to a number of factors, such as use of energy and imported feed. Yearly food inflation in the EU reached 6,9% in March 2022, with large differences between Member States depending on the structure of their respective food supply chains and their national average food baskets.



Short- and medium-term measures for food security, affordability and farm income

The Commission has presented a range of short-term and medium-term actions to support EU farmers and maintain affordability for most vulnerable citizens.

EU

- Fund for European Aid to Most Deprived
- **€500 million** to support most affected farmers
- Temporary derogation to bring fallow land into production
- Market safety net measures
- Temporary Crisis Framework for state aid
- Exceptional measure funded by the EAFRD (up to 5% for the years 2021-2022)

Member States

- Use social protection systems and possibility to further reduce VAT rates
- Prioritise investments that reduce the dependency on gas and fuel and inputs such as pesticides and fertilisers

The Commission steps up its monitoring of agricultural markets, through monthly notifications by Member States on their levels of stocks of cereals, oilseeds and rice, and through the creation of a dashboard presenting detailed statistics on prices, production, and trade.

<https://agradata.ec.europa.eu/extensions/Ukraine/Ukraine.html>



SUSTAINABILITY: STRENGTHENING RESILIENCE AND DIVERSIFICATION

Food sustainability is fundamental for food security.

We continue building a sustainable, productive and resilient agriculture in the long run – in line with the Farm to Fork and Biodiversity strategies.

The Cost of Inaction



► **Climate:** a 2°C temperature increase by 2050 is projected to drive irrigated grain maize yields in southern Europe down by more than 10%. In addition, wheat yields in southern Europe are projected to decrease by 12% on average. Extreme droughts in 2018 cost agriculture more than € 4.2 billion in France, the Netherlands, and Germany alone.



► **Biodiversity:** 75% of global food crops depend on pollinators. In the EU, up to almost €15 billion of the EU's annual agricultural output is directly attributed to insect pollinators. 10% of bee and butterfly species in Europe are on the verge of extinction, and 33% of them are in decline. 50% of land in the EU cultivated with crops dependent on pollinators already faces a pollination deficit.



► **Soil erosion:** In the EU alone, over 80% of all areas in the EU-27 estimated to be affected by moderate to severe soil erosion were agricultural areas and natural grassland. The costs associated with soil degradation in the EU exceed €50 billion per year.

The current crisis lays bare the dependency of the EU food system on imported inputs, such as fossil fuels, fertiliser and feed, confirming **the necessity of a fundamental reorientation of EU agriculture and EU food systems towards sustainability**, in line with the Green Deal and the reformed Common Agricultural Policy:



- Reduce the use and risk of pesticides
- Increase yields sustainably
- Extending the use of agro-ecological practices and precision agriculture
- Increasing organic farming, agro-forestry or carbon farming
- Assessing options for rules on new genomic techniques
- Scaling up the production of renewable energy with biomass from forestry, agriculture and organic waste
- Ensure a fairer distribution of income support
- Supporting a transition towards a sustainable livestock sector
- Supporting protein crop production



THE COMMON AGRICULTURAL POLICY CAN HELP!

Facilitating knowledge exchange and training for environmental innovation

Financing the transition to more sustainable farming systems

