

High global food prices and uncertainty about future food supplies is driving an increase in the number of countries implementing food export restrictions. This raises global food security concerns.

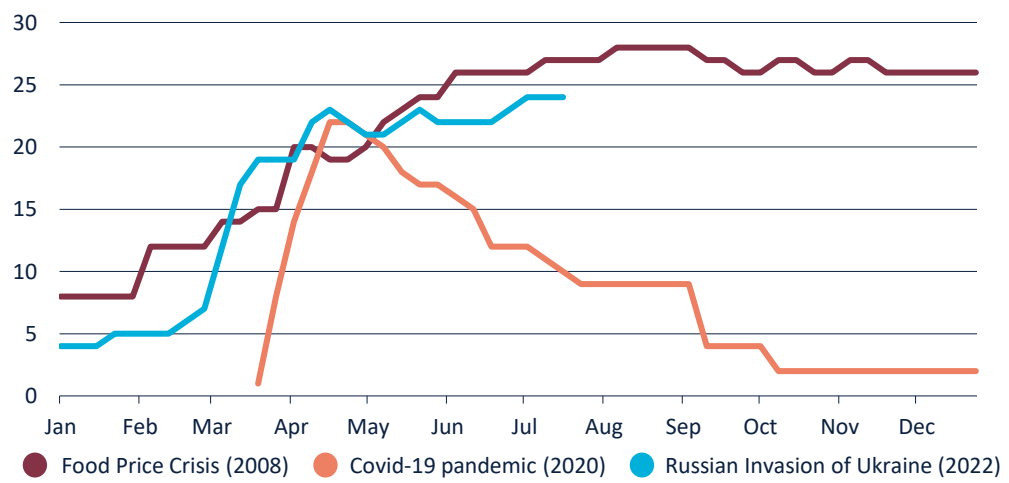
## Food export restrictions rise in 2022

- > Since the beginning of 2022, 32 countries have imposed export restrictions on food and fertiliser. Twenty six of these countries still have active restrictions.
- > This is the highest number of countries implementing restrictions since the 2008 food price crisis.
- > Export restrictions are intended to increase the supply of food in an exporting country. However, the implementation of restrictions by one country can cause others to also introduce restrictions.
- > This can cause an upward spiral of restrictions, prices and volatility.

## Drivers of export restrictions

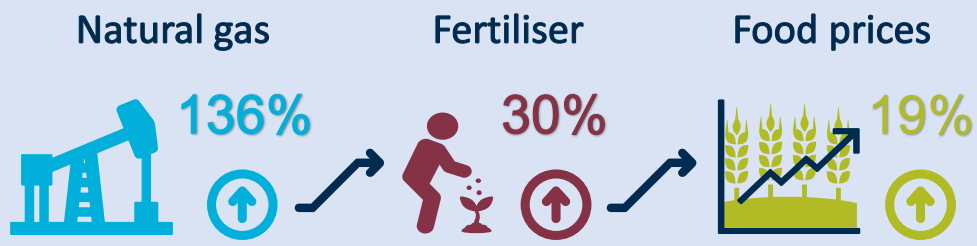
- > Poor seasonal conditions in much of the Northern Hemisphere, disruptions to food exports from Ukraine and Russia, and high energy and fertiliser costs are driving food prices to record levels.
  - > High prices and uncertainty about future supply is leading some governments to implement export restrictions.
- > Russia's invasion of Ukraine has disrupted the production and export of key staple products, including wheat and sunflower oil.
- > Consecutive La Niña events have reduced crop output in the EU and US.
- > Prices received by farmers have increased, but input costs, including fertiliser and fuel, have also risen.

**Figure 1: Number of countries with active food export restrictions**



Source: IFPRI Food and Fertilizer Export Restrictions Tracker  
Retrieved July 2022

## Since the start of 2022, the price of inputs and food has risen substantially



Sources: Markets Insider, Green Markets, FAO Food Price Index



17%

Export restrictions have impacted **almost one fifth** of calories consumed by the world



32 Countries have imposed export restrictions since the **start of 2022**

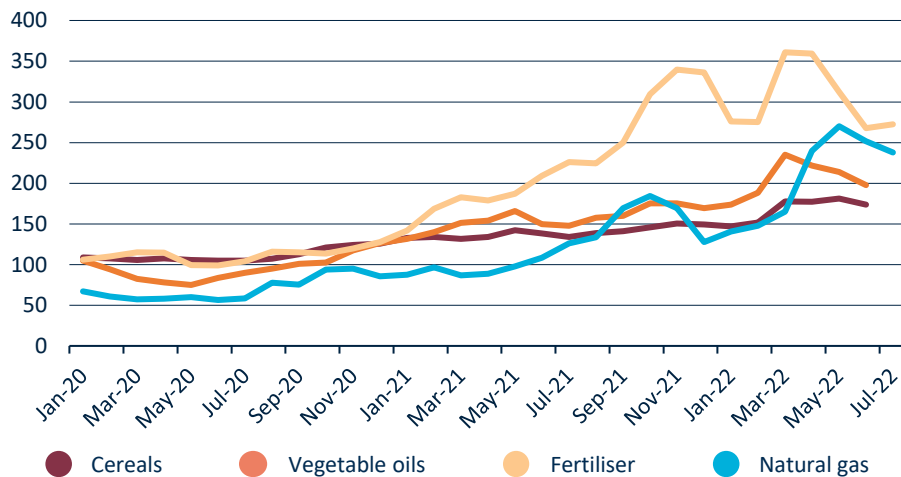
26 Of these **countries** still have **active restrictions**



50% - 60%

The likelihood of **another La Niña** event later in 2022.

Figure 2: Price indices January 2020 – July 2022



Source: FAO Cereals and Vegetable Oil Price Indices, Green Markets, Markets Insider  
January 2017 = 0

## Food, fertiliser and natural gas prices rise together

- > Figure 2 shows the relative price increases of cereals, vegetable oils, fertiliser and natural gas.
- > Commodity prices are closely related. For example, fertiliser production requires natural gas. The rising cost of fertiliser production then has flow-on effects on the price of food.

## Outlook for export restrictions

- > Food export restrictions are currently having the largest direct effect on global vegetable oil and grain trade.
- > The recent decision by Indonesia to remove the ban on palm oil exports is a positive sign for vegetable oils.
- > Global grain supplies remain tight:
  - > The potential for a third consecutive La Niña event could lead to reduced global supply and further price rises.
  - > If implemented, the deal to allow the resumption of Ukrainian grain exports will ease the pressure on global food prices.
- > Rice prices have risen 5% since the start of the year. At present, no major export restrictions have been imposed on rice.
  - > Export restrictions on rice were one of the key drivers of the 2008 world food price crisis.

## Implications for Australian exporters

- > Australia is a reliable supplier of high-quality agricultural products and a consistent supporter of free and fair agricultural trade.
- > Record agricultural production and the absence of food export restrictions mean that Australian producers and exporters are well placed to contribute to global food security.