Ukraine war would threaten regional and global food prices

Jason Melanovski 30 January 2022

A potential war between Ukraine and Russia, provoked by the United States and NATO, and the economic disruption it would inevitably cause, would have a disastrous effect on already rising regional and global food prices.

Ukraine—long known as the "bread basket" of Europe—is expected to be the world's third largest exporter of corn and fourth largest exporter of wheat for the 2021-2022 harvest year, according to the International Grains Council. In addition, the former Soviet Republic of 40 million people is also a major exporter of barley, sunflower oil and rapeseed. Russia, meanwhile, is the world's largest wheat exporter, and is expected to export 36.5 million metric tons of wheat for the 2021-2022 harvest year.

Any of the "crippling sanctions" that the Biden administration is threatening Russia with would prove disastrous for global food prices by further limiting the supply of wheat and grain.

In early January, the United Nations Food Price Index reported that global food prices had already risen 28.1 percent in 2021, the highest level since 2008. According to UN senior economist Abdolreza Abbassian, food prices normally settle after production rises to meet demand. However, such a scenario is unlikely to occur in 2022.

Citing the high price of basic commodities, global climate change and the unceasing global COVID-19 pandemic, Abbassian wrote that such conditions "leave little room for optimism about a return to more stable market conditions, even in 2022."

A disruption to Ukrainian exports would be especially damaging to countries in Africa and Asia such as Afghanistan, Sudan, Yemen, Libya, Lebanon, Indonesia, Malaysia and Bangladesh. Many of these countries are already considered "food insecure" and all of them import a large amount of Ukrainian wheat.

Alex Smith, a food and agricultural analyst at the Breakthrough Institute, wrote in Foreign Policy, "Of the 14 countries that rely on Ukrainian imports for more than 10 percent of their wheat consumption, a significant number already face food insecurity from ongoing political instability or outright violence."

It should be noted that the "political instability" cited in Yemen, Libya and Afghanistan is the direct result of criminal interventions and wars by US imperialism.

While the poorer countries of Africa and Asia would suffer greatly, the major industrialized countries of Europe and North America would not be spared from a rapid spike in food prices caused by a US-provoked war in Ukraine.

Senior British Conservative MP Tobias Ellwood warned British consumers they should brace for even higher food prices.

"There will be huge impact on gas and oil prices and grain as well. The price of biscuits, can you believe it, will actually increase simply because Ukraine produces a third of the world's grain," Ellwood told the Times Radio.

Ukraine itself has already been hit by rapidly rising food prices, and the administration of President Voldymyr Zelensky has warned Ukrainians to expect a 10 to 20 percent jump in basic food prices in 2022.

Food prices in Russia likewise are rising, climbing 7.7 percent last year. In December, the Russian government responded to the crisis by capping prices on basic items like sugar and sunflower oil. The Kremlin also imposed export taxes on wheat and grain to discourage sales abroad.

In both countries, workers are forced to spend an even larger amount of their income on food than workers in Europe and North America, who are also struggling with rapidly rising inflation.

Over 60 percent of Russians spend half their monthly income on food, and average Ukrainians similarly spend more than 50 percent of their income on food.

While food prices rise in both countries, the COVID-19 pandemic continues to infect and claim the lives of ten of thousands of Russians and Ukrainians.

On January 29, Ukraine's Ministry of Health reported a record daily high of 37,351 new infections, surpassing the previous record set a day earlier. With an additional 149 deaths reported, the country officially passed 100,000 deaths. In November, the country regularly reported 700 to 800 deaths per day.

Rather than implementing any serious prevention measures, the Zelensky administration suggested schools move online and offered a \$37 cash payment for vaccination.

In neighboring Russia the Omicron variant continues to cause case rates to explode .

While the world's capitalist governments continue to concern themselves with preparing what would be the biggest military conflict in Europe since the end of World War II in 1945, opinion polls in both Russia and the United States continue to demonstrate widespread opposition to a war over Ukraine.

In Ukraine itself, polls persistently show that Ukrainians are primarily worried over the rising costs of food and energy and the COVID-19 pandemic, rather than the threat of war with Russia.

According to a December 2021 opinion poll by Rating, 72 percent of Ukrainians consider inflation the most pressing issue, 70 percent stated the country was moving in the "wrong direction" under Zelensky and less than half believe a war will actually happen, despite the warmongering hysteria promoted by the Biden administration.

That the Biden administration and NATO are continuing to move towards war with Russia despite widespread working class opposition and concerns over rapid inflation and the ongoing pandemic is an indictment of the entire capitalist system.



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